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Basic Facts

Geography: Area: 93,036 km². Location: Central Europe, in the Carpathian Basin. Neighbors: Slovakia (N), Austria (W), Slovenia, Croatia and Yugoslavia (S), Romania and the Ukraine (E). Surface features: fertile plain (Great Plain) on the eastern part of the area divided by the Danube, rolling hills to the west (Transdanubia, with medium-altitude mountain ranges at its center and to its south), and medium-altitude mountain ranges to the north. Highest point: Kékes (1,014 m). Major rivers: Danube, Tisza and Dráva. Largest lakes: Balaton, Velencei-tó and Fertő tó. **Population:** Population (2000): 10,044,000. Breakdown by age: 0-14: 19.4%, 15-59: 61.4%, 60 and over: 19.2%. Population density: 111.1/km². Ethnic groups: Hungarian 97.7%, Roma 1.4%, German 0.3%, Slovak 0.1%, Croat 0.1%, Romanian 0.1%. Language: Hungarian. Religions:

Roman Catholic, Protestant, Jewish, and Greek Orthodox. Metropolitan inhabitants: 62.6%. Capital: Budapest (2000): 1,815,000. Cities (2000): Debrecen 204,000, Miskolc 173,000, Szeged 158,000, Pécs 158,000, Győr 128,000.

Form of Government: President of the Republic: Ferenc Mádl (as of June 2000). Prime Minister: Viktor Orbán (as of July 1998). National holidays: 15 March, 23 October.

Economy: Currency: the forint (HUF 289 = USD 1) (January 2001). GDP (1996): USD 43.47 billion. Per Capita GDP (1999): USD 4,808. Economic growth (1999): 4.5 %. National debt as a percentage of the GDP (1992): 12.2. National debt as a percentage of convertibly accountable exports (1992): 40.3. Defense spending as a percentage of the GDP (1999): 1.6. Consumer price variation (1994): 10.4%. Unemployment rate (1999): 7.0%. Workforce distribution (1995): agriculture 8.6%, industry and construction industry: 32.5%, commerce and services: 16.7%. Export (1995): HUF 1,622 billion. Main export items: foods, pharmaceuticals, rolled steel, aluminum products, plastic raw material, semi-finished and finished products, petroleum derivatives, machinery, equipment, electrical products and consumer electronics, coaches, building materials, clothing, upholstery. Main export partners (1999): Germany, Austria, Italy, USA, Holland, France, Great Britain. Imports (1995): HUF 1,936.4 billion. Main import items: heating fuel, industrial raw materials and semi-finished products, machinery, consumables, and fodder. Main import partners (1999): Germany, Austria, Italy, Russia, France, Japan, USA.

Transportation: Railway network (1998): 7,873 km, of which 30.5% is electrified. Public road network (1995): 157,403 km, nationwide road network: 30,267 km, of which motorways (1999) comprise 448 km. Motor vehicles (1991): automobiles (privately owned): 2,052,891, other motor vehicles: 252,405. Telecommunications: number of inhabitants per set: television: 3.4, radio: 1.6, telephone: 5.2. Dailies (1992): 282/1,000 persons.

Health Care: Life expectancy at birth (1998): men: 66.1 years, women: 75.2 years. Birth rate (1995): 11.7‰. Death rate (1995): 14.2‰. Population growth (1995): -3.2‰. Infant mortality rate (1995): 10.7‰. Number of inhabitants per one hospital bed: 99. Number of inhabitants per physician: 292. Education: Literacy rate (1990): 78.1% of the population over the age of fifteen has completed elementary school. School age: 6 to 16 years.

Member of the United Nations since 1955.

Member state of the Central European Initiative (CEI) since 1989. Member of the Council of Europe (CE) since 1990. Member of the Central European Free Trade Association (CEFTA) since 1992. Associate member of the Western European Union (WEU) since 1994. Member of the European Organization for Security and Cooperation (EOSC) since 1995. Member of the Organization for Economic Cooperation and Development (OECD) since 1996. Member of the NATO since 1999.

The History of Hungary

The territory of today's Hungary – as indicated by archeological finds – has been inhabited for about 500,000 years. Vértesszőlős prehistoric man left traces of his presence c. 500-450,000 years ago. The earliest finds of the appearance of ancient man originate from the last stage of the lower Paleolithic era (pre-moustier age). Knapped stone tools found in the Kálmán-Lambrecht cave indicate that in the Great Ice Age, that is about 150,000 years ago, there was human settlement on the territory of Hungary.

Relics of the Moustier culture, that is the next level of human development, come in the form of remains found in the Subalyuk cave. Human bones found here indicate that about 130,140,000 years ago Neanderthal man did indeed reach the territory of Hungary too.

The direct ancestor of man appeared in Hungary's territory during the era of the Aurignac culture. In the course of excavations made at the Istállóskő cave, a number of split-shaped bonetipped arrow heads were uncovered, which about 36,000 years ago – clearly indicate the existence of the Aurignac No. 1 culture. The main occupation of Aurignac man—according to archeological evidence – was

hunting and only to a lesser extent fishing. He already used the spear and arrows.

As regards man from the last period of the prehistoric age (upper Paleolithic era), finds originating from a few thousand years later from the Szeleta cave provide useful evidence. For instance, the paint mine excavated close to the village of Lovas dates from the period of the Szeleta culture. Hungary's territory was also inhabited by the Gravette culture (Magdalene culture) of the late Paleolithic era, when developed bone tools played a major role. The main occupation of man of this culture was hunting and gathering. He already understood and could skillfully use the bow and arrow.

The new Stone Age which appeared in the Carpathian Basin between 3,500-2,500 B.C. (Neolithic) represented a tremendous change in the history of mankind. Settlement of the area started around that time. The oldest Neolithic culture in Hungary was the Kőrös culture, the bearers of which were of shepherds dealing with agriculture, fishing and hunting. This was the period when the matriarchal society flourished.

Between 2,500-1,900 B.C. there was a period termed the developed Bronze Age. The people then living in the territory of today's Hungary conducted 'hoeing' agriculture, and domesticated the horse as well as cattle. According to evidence from cemeteries, the role of females was subordinated to that of males.

During the Bronze Age which lasted from 1,900-900 B.C. population densities increased, and towards the end of the Bronze Age new settlers migrated into Transdanubia and the region beyond the Tisza river. At the end of the Bronze Age agriculture had developed to the stage of ploughing and sowing. In place of simply keeping animals, animal husbandry started. Industry separated from agriculture, and trade too surpassed the level of simple barter.

Around 700 B.C. the early Iron Age in Hungary was brought to a sudden halt by the appearance of the Kimmer nomadic people who were fleeing the Scythians. We know nothing of their history.

The first wave of the Great Migrations, the Kimmers, were replaced – around 550 B.C. – by the Scythians. The Scythians did not annihilate the population they found here, but lived together in coexistence with them. This is indicated by many elements of their burial rituals, which they took over from the original population. The weapons of the mounted nomadic Scythians were made of iron, while their tribes were divided into clans headed by the wealthy clan aristocracy.

In Hungary's territory, the rule of the Scythians was ended – around 300 B.C. – by the incoming Celts, with whom the Scythians merged. The Celts were the first people about whom we have written evidence to indicate their history. The Romans who came to conquer this area were prompted not only by commercial interests but also by the emergence of Dacian rule which threatened the borders of the empire.

Therefore in the year 35 B.C. they conquered the area between the Dráva and Száva rivers, and in the year 9 B.C. they occupied the Danube Bend..

In 10 AD, the province of Pannonia was established.

In 20 A.D. the Romans built a permanent camp at Aquincum. However, the Roman conquest did not sweep away the ancient population. The organization of the native tribes was not changed by the Roman military administration; the native Celtic population preserved – although with major transformations – its ancient culture. Urban life emerged, with industry and trade increasingly developed. In the 3rd century Pannonia played a leading role in the Roman empire. From the point of view of the defence of the empire, this was an important region which gave several emperors to the empire.

In 20 A.D. – simultaneously with the Roman conquest – the region between the Danube and Tisza rivers was invaded by the Sarmata-Jazig mounted nomadic peoples of Iranian origin.

At the end of the 3rd century, in the year 211, Dacia (Transylvania) was invaded by the Goths, and in the 4th century by a new Sarmata tribe, and in addition to the Alans the Germans also began to settle in increasing numbers. Then, at the beginning of the 5th century, the Huns appeared.

Between 401-410 A.D. the Huns occupied the Hungarian Great Plain. The 'centre of gravity' of the Hun empire was placed once and for all between the Danube and Tisza region by their chieftain

Attila:

After the death of Attila (453 A.D.), the Hun empire disbanded and its place was occupied by the German tribes.

In 456 A.D. Pannonia came under the rule of the Eastern Goths who, after conquering the Sarmatas in 471, left for what is present-day Italy. Their place was occupied by the Gepids who were in turn replaced by the Longobards. Afterwards the Longobards, having joined forces with the Avars from the east, defeated the Gepids but fearing at the same time their very ally they also moved to Italy. In 582 A.D. the Avars, having consolidated their rule in Hungary, conquered Sirmium. In 628, the Avars suffered a tremendous defeat at Constantinople, although the empire did not collapse immediately. Only the Croats and the Serbs separated from the empire. In 680 the Bulgarian state was formed. Finally, the rule of the Avars was ended in two crusades undertaken by the Franks.

In 796, the Avar state ended. Transdanubia came under the rule of the Franks who Cater brought Slav settlers from the south and southwest.

As from the 9th century the Avars who remained behind in fairly large numbers were joined by Slavs, who in turn – between 840-810 – struggled for their independence. It was at this point that, from the east – as the last wave of the Great Migrations – a new people appeared: the Hungarians.

Early Hungarian History (-896 A.D.)

The ancient history of the Hungarian nation – just like that of other nations – can be illuminated only through an examination of linguistics, archeology, ethnography, anthropology etc. So, according to the conclusions of linguistics, the Hungarian language derives from the Ugrian branch of the Finno-Ugic group of the Ural family of languages. As regards the native land of the Ural people, we do not know whether it was in Europe or Asia. However, it is supposed that the common native-land of the Ugrians of the Ob river and the Hungarians was in the Ural region. Here, the predecessors of Hungarians were engaged in fishing, hunting and gathering. However, although most likely in a primitive way, they also understood agriculture and animal husbandry. Their first domestic animal was the hunting dog. They also had horses. They were versed in the crafting of wood and bone as well as leather and pottery making. They also understood how to fashion metals, but used it only in limited forms when they could get materials through barter.

The Ugors and the Hungarians were probably separated when, around 6-5th century B.C. a new people from the east, those representing the Ananyino culture, burst into the Káma river region. It was at that time that the Hungarians who split from the Ugors must have come into close contact with the Ogur Turks. According to evidence in the Hungarian language, it was in the course of their coexistence with this Turkish people that the ancestors of the Hungarians learned about animal husbandry and agriculture. As a consequence the organization of the clans was formed into tribal allegiances.

The Hungarians were already living in a nomadic tribal organization when – around 463 the Avars attacked the Sabirs. Around that time the Onogur tribes – among them the Hungarians too – resettled on the grasslands of the northern coastal region of the Black Sea.

Around 515, waves of Sabirs quickly washed through the Hungarians who lived on the coast of the Sea of Azov (Maeotis), to be followed by waves of Avars who – in 558 – fled from the east to Europe. However, after 552 the Hungarians established themselves for a longer period among the Turkic tribes. According to Byzantine sources, in 569 AD, the Onogurs who lived west of the river Volga, and then – in 575 – both the Alans and the Onogurs, filtered into the Turkic empire.

Around 630 the nomadic Turkic empire also dissolved. At that time, in the area bordered by the Caucasus, the Don and Volga rivers as well as the Caspian Sea, the Khazar empire became independent. Its rule gradually expanded to neighbouring peoples, and so to the Hungarians.

In the 9th century -just as the Khazar empire fell into decay – Hungarians living in the Caucasus region broke free.

It is thought that around 830 they broke away from the Khazar empire, to be joined by three Kabar tribes who revolted against Khazar rule.

In 839 they conducted independent campaigns against peoples in the lower Danube region.

In 862 Hungarians first appeared in Pannonia.

In the 9th century the Hungarians lived in Etelköz near the Don river. These people consisted of seven Hungarian (Nyék, Megyer, Kürtgyarmat, Tarján, Jenő, Kér, Keszi) and three Kabar tribes. They led a semi-nomadic life; in addition to animal husbandry they were engaged in fishing and agriculture. At the time of the conquest the leader who held actual power was Árpád. It was under these circumstances that the Hungarians were first hit by a Pecheneg attack in 889.

In 892 the German king Arnulf concluded an alliance with the Hungarians against the Moravian-Slav state, and later – in 894 – the Germans visited the land of Pannonia as their allies.

Then, in alliance with Byzantine emperor Leo the Wise, they attacked the Bulgarians in 895.

However, the Hungarian army was beaten by the Bulgarians who made peace with Byzantium, and at the same time the Pechenegs (who also made an alliance with the Bulgarians) attacked Etelköz.

To escape from these onslaughts the Hungarian tribes gradually picked their way into the Carpathian Basin. The conquest had started.

The conquest marked the closure of one very long chapter in the history of the Hungarian nation. Following the occupation of the Carpathian Basin, nomadic pastoral life had to cease because the occupied area was too limited for the nomadic way of life of the Hungarians. In the course of the settlement of the people, differences in wealth which had emerged earlier deepened even further. Slavic populations enriched the wealth of the tribal aristocracy, the majority of pastureland was occupied by the holders of large flocks of animals. So, for free Hungarians who represented the majority of society, there were only two options open: either they signed themselves into the guard of the tribal aristocracy and existed from the spoils of war, or they switched over to agriculture. At the beginning of this era predatory raids represented safety valves through which social tensions could be released. The raids achieved initial successes, made possible by the feudal anarchy which reigned at that time in the more developed European feudal states. However, as soon as the central power strengthened in those countries – not least precisely because of the Hungarian attacks – these campaigns ended in failure. The Hungarians were then threatened by the fact that if they continued their earlier way of life they too would fall victim to the eastward expansionist policy of the German empire.

At that time a Hungarian tribe which until then had been relatively obscure rose to the pinnacle of power under the family of the House of Árpád. In the course of the conquest this tribe invaded the central part of Transdanubia, which was most densely populated by Slav groups, and in the years directly following the conquest this tribe remained busy with the organization of its forces.

Therefore they took only a limited part in foreign raids, and in the years following the defeat at Augsburg when these attacks came to an end crown prince Géza opened the gateway to western Christians. He invited priests and monks to Hungary and settled German knights Who strengthened his own armed forces. After his death, István – with Bavarian assistance defeated the uprisings of tribal aristocracies afraid of the newly emerging order) which threatened his own power. In the course of bloody battles he brought the feudal Hungarian state into being.

In the year 898 A.D. conquering Hungarians swept into the Carpathian Basin after crossing the northeast Verecke pass, and to a lesser extent through Transylvania along the lower Danube. In all probability, the final occupation of Transdanubia took place in 899, an event which was followed in 900 by attacks on Bavaria right down to Regensburg. It was also in this year that the Hungarians attacked Italy where after returning from the Adda they defeated Prince Berengar of Friaul at the Brenta river.

In 906, they devastated Saxony.

Prince Árpád probably died early in 907. In June, German king Ludwig opened a campaign of revenge. At Pozsony his army was defeated by the Hungarians, and as a response the Hungarians

then devastated Bavaria.

In 908, they broke into Thuringia and set Bremen on fire.

In 910, just outside the town of Augsburg, the Hungarians defeated an combined army of Bavarians, Franks and Allemanns, and proceeded to devastate the German empire up to the river Rhine. They obliged German King Lajos and his successors to pay an annual tribute. In the course of subsequent raids, in fact in 912, Bavarian prince Arnulf dealt the first defeat to adventuring Hungarian soldiers at the Inn river. However, these campaigns helped the German crowns princes in their internal disputes; indeed, they increasingly took on the services of the raiding Hungarians.

In 916 it was Arnulf who invited them to fight against German king Konrad. At that time they destroyed Saxony, and went as far as Basel, indeed to Alsace-Lorraine.

In 917 German king Konrad marched against Arnulf, who fled to Hungary. It was Hungarian troops who helped him return to Bavaria. In the following years the direction of campaigns turned towards Italy.

In 921 Hungarian raids penetrated right down to Verona, when Berenga invited them to join him in his fight against the opposing aristocrats. Together they defeated the revolutionaries, and in 922 they pushed into southern Italy and Apulia.

In 924 – in alliance with Berengar – they again attacked Italy, taking Padua, then broke into Switzerland and – passing through the Jura mountains – they marched to southern France and returned via Lombardy.

In 924 they attacked Germany. The Hungarian armies rushed to Thuringia, although one of the Hungarian feeders was taken prisoner by German king Henry the Fowler. After this they concluded a peace for nine years whereupon instead of German territories, the Hungarian raiding parties continued breaking into Italy.

In 926 the Hungarians joined forces with Count Hugo of Provence against Rudolf, king of Italy, and broke into Lombardy, Tuscany and around Rome. Another Hungarian army conducted operations in southern Germany (Saint Gallen raid), and then moved into Alsace-Lorraine.

When the nine years had elapsed, Henry who used this period of peace to strengthen his forces and train his army for the fight against Hungarians, refused to pay tributes.

With that, in 933, a major Hungarian force moved into Saxony and Thuringia. However, the Hungarian army which was divided into two parts was defeated by the German army of knights at Sondershausen and Merseburg (near the Riade) on March 15. This was the first major defeat in the course of the campaigns. In the same year Hungarians also attacked Byzantium and moved as far as Constantinople.

In the following years the Hungarian armies conducted raids on the Rhine, Alsace-Lorraine, Burgundy and southern France.

In 938 in alliance with the Bavarians they again broke into Saxony, although King Otto I strengthened the central power. and dealt the raiding forces a severe blow. Later, the Hungarians avoided northern Germany.

In 941 they again attacked Italy and then moved into Spain. However, it was becoming clear that the opportunities for looting were beginning to narrow.

In 944 the Hungarians were defeated by Bavarian prince Berchtold. In the same year the Hungarian army which broke into the Byzantium empire also suffered a defeat and signed a five-year treaty.

Meanwhile, albeit slowly, Christianity made headway in the Carpathian Basin. Transylvanian tribal leaders learnt about Christianity in Byzantium.

In 948 two Transylvanian leaders – Bulcsú and Gyula – were baptized in Constantinople.

In 950 Hungarian armies caused enormous damage in Bavaria.

In 951 they attacked Italy, and from there they burst into southern France.

In 953 the chieftain prince signed an alliance with Allemann prince Ludolf against Otto, and in the spring of 954 – under the leadership of Prince Konrad of Lorraine – they razed the southern provinces of the German empire. The return home took the army through Burgundy, Switzerland

and the northern part of Italy.

In 955 they broke into Bavaria in two waves. King Otto I made peace with his relatives and caused disarray among the Hungarian army at Augsburg, and then beat them in the field of Lech on 10 August. Although the other Hungarian army returned without defeat, raids against the German empire halted, and indeed it was the latter which started to launch attacks which threatened the complete annihilation of the Hungarians:

Prince Taksony ruled between 955-972. It was during this time that – following the defeat at Augsburg – the possibility of raids remained open only towards Byzantium, but even so in 958 they suffered a defeat near Constantinople. Nevertheless, Hungarians continued to attack Macedonia with varying results.

Finally, in 970, raids against Byzantium also stopped.

Between 912-997 during the rule of Prince Géza the influx of foreign feudal knights began.

In 973 Géza sent emissaries to Quedlinburgh to meet King Otto I and asked him to send missionaries. In the course of this Bishop Pilgrim of Passau visited Hungary several times. At this time Géza married for the second time: to Polish princess Adelheid.

In 994 Bishop Adalbert continued Pilgrim's missionary work. This is thought to be the time when the baptism of Géza's son Vajk (István) took place.

In 995 Géza as well as the sons of his already dead brother Mihály – Vazul and László Szár – were baptized. With the aim of strengthening the alliance with Bavaria, Istvan married Bavarian Princess Gizella.

Géza died in 997.

Following the death of Géza, his son István relying on his armed forces and the German knights – overcame the resistance of some members of the tribal aristocracy and having confiscated their estates and strengthened his own power he brought about the feudal state. The external evidence of the independent Hungarian feudal state was the coronation.

State organization, of course, is a longer process, of which we know only the final results today.

István took as his own the majority of the territory of the then country, and in the territorial centres of the royal estates he formed royal counties headed by individual members of the tribal aristocracy. István also organized the Hungarian church: By inviting foreign – primarily German and Italian – priests and monks and through the foundation of bishoprics plus the donation of huge landed estates he helped root the Christian church in the country.

1000-1751

1000-1301 The age of the House of Árpád.

25 Dec. 1000 or 1 1001 Prince István (Stephen) admits the Christian faith and crowns himself king (rules until 1038).

0.1000 First coins minted in Hungary issued by István; publication of his first statute book.

1003 Gyula, ruler in Transylvania, defeated by István.

1018 Bulgarian Czar Samuel defeated by István in alliance with Byzantium. At this time Hungary borders Byzantium.

1030 Emperor of the Holy Roman Empire Konrad II launches attack on Hungary but is repulsed. (Saint) Gellért of Venice ordained.

1030-1038 Publication of István's second statute book.

After 1031 Vazul blinded on orders of István.

15 Aug. 1038 Death of Saint István. Péter Orseolo of Venice, István's cousin, takes the throne (until 1041, and then again from 1044-1048).

1041 Péter deposed, and Samuel Aba, István's second cousin, elected king (until 1044). 1042-1043 Country raided twice by Henry III of the Holy Roman Empire.

1044 Execution of 50 revolting aristocrats ordered by Samuel Aba; re-crowned king. Henry III

again marches into the country; Samuel Aba murdered. Throne taken by Péter.

Prior to 1046 (Saint) 'Deliberatio', the first theological work in Hungary, written by Gellért, bishop of Csanád.

1046 Revolt against Péter. The rebels murder Bishop Gellért and crown Vazul's son András (until 1060).

1052 Henry III's fleet sunk at Pozsony by Zotmund.

1055 Benedictine monastery at Tihany established by András I. The founding letter contains the first coherent Hungarian-language text.

1060 András I defeated by the army of his younger brother Béla I who is crowned king (until 1063).

1063 Following death of Béla I, Salamon, the son of András I, enthroned (until 1074).

1066-1067 First history of the nation (Gesta) prepared by an unknown author.

1074 Salamon's army defeated by the sons of Béla I Géza and László. Géza crowned king (until 1077).

25 Apr. 1077 Death of Géza I. Succeeded by his younger brother, (Saint) László I (until 1095).

1083 Birth of the István and Gellért legends.

20 Aug. 1083 István I declared a saint.

29 July 1095 Death of László. Géza's son, Kálmán (Colomon Beauclerc), crowned king (until 1116).

1100 First laws proclaimed by Kálmán.

1100-1150 Codex Albensis: the oldest Hungarian music notation manuscript with the first locally published Latin verse.

1102 Kálmán crowned King of Croatia; later Dalmatia falls under his rule too.

1116 Death of Kálmán. Succeeded by his son István II (until 1131).

1131 After the death of István II he is followed by Béla II (the Blind) (until 1141).

1141 Géza II, the son of Béla the Blind, crowned king (until 1162).

1162 After the death of Géza II, István III crowned king (until 1172). However, Byzantium emperor Manuel I instructs László II – Géza II's older brother – to be crowned king, and so until the latter's death in 1163 the two rule.

1172 Béla III crowned king (until 1196).

20 Aug. 1185 St. István's Day in Székesfehérvár. This is the first trace of the Day of Law.

1190 Royal palace constructed at Esztergom.

1192-1195 Compilation of the Pray codex; containing the "funeral oration".

1196 Béla followed by his son King Imre (until 1204).

C. 1200 At the time of King Béla III's rule Hungary's population was about 2 million. Construction of the castle at Esztergom completed; work starts on the cathedral at Gyulafehérvár. 1204

Following the death of Imre, his younger son László III is crowned king but instead of the juvenile sovereign Prince András governs. Then, after the death of the child in 1205, he takes the throne under the name András II.

C. 1210 Anonymous: Gesta Hungarorum.

1213 Repeated attacks launched against Halics by András II. Queen Gertrude murdered by bailiff Péter and Simon – son in law of Palatine Bánk. 1217-1218 Crusade to the Holy Land launched by András II.

C. 1221 Gothic style extends into Hungary.

Prior 29 May 1222 Publication by András II of his "constitution"; the Golden Bull (renewed in 1231).

1232 Diploma of the "Servants" of Zala, the first step towards the county of nobles.

1235-1236 Journey undertaken by Friar Julianus to the ancient Hungarian homeland.

1235-1270 Rule of Béla IV.

1239 Cumans settled by Béla IV.

1241 Tatar invasion: At the battle of Muhi (11 Apr.) Batu Khan defeats the Hungarian main army and Béla IV flees the country.

March 1242 Tatars depart, leaving more than half of the settlements in the Great Plain ruined.

1247 Building of Buda castle and the settlement of Buda.
 C. 1260 Completion of the Church of Our Lady (later the Matthias Church) for German citizens of Buda.
 1270-1272 Rule of István V.
 1272-1290 Rule of László IV (Cuman).
 1275-1285 Chronicle of Simon Kézai completed.
 1292-1301 Rule of András III and the collapse of central power.
 C. 1300 The Lament of Our Lady: the origin of the first surviving Hungarian poem.
 1301 With the death of András III, the male line of the House of Árpád dies out. Czech crown prince Vencel crowned Hungarian king (steps down in 1305). Károly Róbert (Anjou) crowned.
 1308-1342 Rule of Károly Róbert.
 C.1320 Emergence of lay intellectuals.
 1330 Execution of Felician Zách.
 Oct. 1335 Visegrád congress. Hungarian, Polish and Czech alliance against Vienna.
 1336 Introduction of the golden forint with a stable value.
 1342-1382 Rule of Lajos (Great) I.
 1347-1350 Conquering series of campaigns by Lajos I against the kingdom of Naples.
 1351 Introduction of the "ninth".
 From 1358 Pictorial chronicle by Mark Kálti.
 C. 1360 Emergence in Hungary of Humanists belonging to Petrarch's circle.
 1385-1366 Bulgarian Vidin conquered by Lajos I.
 1367 Foundation of the college of Pécs.
 1370 Lajos I crowned king of Poland.
 1373 Creation by the Kolozsvári brothers of the St. George statue.
 1374 The Chronicle of Várad.
 1382-1387 Rule of Queen Mária.
 1387-1437 Rule of Zsigmond.
 1390 János Kükülei's Chronicle: creation by the Kolozsvári brothers of László's equestrian statue.
 1396 Battle of Nikápoly; Zsigmond defeated by the Turks.
 C. 1400 Completion of the Buda Dominican church. Construction of the cathedral of Kassa starts.
 Emergence of the Toldi legend.
 1402 Treaty on succession with the Habsburgs concluded by Zsigmond.
 1404 On the order of Zsigmond, no-one may receive church benefices without his contribution; proclamation of papal documents banned without his permission (Placetum regium).
 20 Sept. 1410 Zsigmond elected king of Germany.
 1418 Appearance in Hungary of the Inquisition persecuting the Hussites.
 1437-1439 Rule of Albert of the House of Habsburgs.
 1439 Turks occupy Serbia.
 1440 Warfare between the Habsburgs and the Jagello party.
 1440-1444 Rule of Ulászló I.
 Oct. 1443-Jan. 1444 Hunyadi's so-called long battle.
 10 Nov. 1444 Defeat at the battle of Várna. Death of Ulászló I.
 1446 János Hunyadi declared governor.
 1452-1457 Rule of László V.
 22 July 1456 Victory at Nándorfehérvár followed by the death of János Hunyadi (11 Aug).
 1458-1490 Rule of Mátyás Hunyadi.
 1463 Siege and capture of Jajca.
 1468 Mátyás's conquering battle against Bohemia.
 C. 1470 Copying and miniature painting workshop established at the court of Mátyás.
 1472-1477 Buda-based printing shop of András Hess.
 1473 Buda Chronicle printed.

C. 1480 King Mátyás's permanent mercenary army numbers between 8-10,000.
1485 Siege and occupation of Vienna; oath of fidelity to Mátyás.
1486 Legal code: the first experiment in the codification of feudal law setting down the leading position of the nobility in the county.
1488 János Turóczi: Chronicle. The Corvina collection numbers 500 volumes.
1480-1490 Pelbárt Temesvári's activities. C.1490 Completion by Antonio Bonfini of his historical oeuvre (Rerum Ungaricarum Decades).
6 Apr. 1490 Death of Mátyás in Vienna.
Sept. 1490 Coronation of King Ulászló (until 1516).
1497 Tamás Bakócz, archbishop of Esztergom.
1505 National assembly at Rákos: resolution brought against kings of foreign origin.
1507 Construction of the Bakócz chapel in Esztergom.
1508 Coronation of King Lajos II.
May-July 1514 Peasant uprising led by György Dózsa.
1514 Tripartitum written by István Werbőczy.
1516-1526 Rule of King Lajos II
1528 Loss of the battle of Mohács. Death of Lajos II (29 August). Coronation of János Szapolyai at Székesfehérvár (until 1540). Ferdinand elected king at Pozsony (until 1554).
1527 Peasant revolt by Jován Cserni.
1538 Peace of Várad between Ferdinand and János.
July 1540 Death of János Szapolyai followed by the election of János Zsigmond as king.
29 Aug. 1541 Buda falls into Turkish hands; country torn into three parts.
1541 János Sylvester: publication of the New Testament in Hungarian.
1542 Friar György awarded governorship in Transylvania, supported by a 12-member council.
1551 Szászsebes Concord: widow of Szapolyai, Izabella, and Zsigmond János renounce the throne and Transylvania. Castaldo orders the death of Friar György.
1552 Occupation of Veszprém, Drégely and Temesvár by the Turks. However, the siege of Eger is in vain – István Dobó's victory.
1554 Sebestyén Tinódi Lantos: Chronica.
1564 Death of Ferdinand I. Succeeded by Miksa I (until 1576).
1566 Zrinyi's sally, the fall of Szigetvár.
1571 Death of Zsigmond János. Election of István Báthory as voivod of Transylvania. Crown prince: 1576-1586.
1572 Bálint Balassi: publication of 'A grassy little garden for sick souls'.
1575 Gáspár Heltai: 'Chronica about the matters of the Hungarians'. Death of Miksa. Succeeded by Rudolf II (until 1608).
1579-1581 War waged by István Báthory in Russia.
1590 Gáspár Károly: Vizsoly Bible.
1593 Inception of the 15-year war against the Turks.
1606 Peace at Zsitvatorok with the Turks. Death of Bocskai.
1607 Zsigmond Rákóczi, crown prince of Transylvania.
1608 Gábor Báthory, crown prince of Transylvania (until 1613). King Rudolf renounces Hungary, Austria and Moravia. Election of Mátyás II as king of Hungary (until 1619).
1613 Gábor Bethlen, crown prince -of Transylvania (until 1629).
1616-1637 Péter Pázmány, archbishop of Esztergom.
1619 Death of Matthias II. Succeeded by Ferdinand II (until 1637). Gábor Bethlen turns his armies against the Habsburgs; occupation of Kassa and Pozsony.
25 Aug. 1620 Gábor Bethlen elected king of Hungary.
15 Nov. 1629 Death of Bethlen.
1630 György Rákóczi I elected crown prince of Transylvania.
1635 College of Nagyszombat, the direct predecessor of the local university. established by

Pázmány.

1637 Death of Ferdinand II, succeeded by Ferdinand I I I (until 1657).

1645 Miklós Zrinyi: Siege of Sziget.

1648 Death of György Rákóczi I, followed by György Rákóczi II, crown prince of Transylvania (until 1660).

1672 Attacks launched against insurrectio-nists.

27 March 1678 Birth of Ferenc Rákóczi II.

1678 Imre Thököly elected leader of the fugitives. Until 1682, the emergence of the Kuruts principality of upper Hungary (13 counties).

1686 Buda recaptured from the Turks.

1688 After a 3 year resistance, Ilona Zrinyi surrenders Munkács. In total 16 Jesuit secondary schools operated in Hungary.

1689-1702 Miklós Misztóthfalusi Kis in Transylvania.

1697 The revolt of the Foothill Kuruts.

1699 Peace at Karlócza with the Turks.

21 May 1703 Revolt at Tiszahát, and the beginning of the Rákóczi freedom struggle.

1705 The national assembly of Szécsény: an independent Hungarian state organization, a feudal confederation, senate, economic council, and law against the Jesuits.

1706 The national assembly of Ónod: proclamation of independence and the dethronement of the Habsburgs.

1711 Death of József. Succeeded by Károly III (as Emperor VI) (until 1740).

30 Apr. 1711 Peace of Szatmár; Kuruts lay down arms in the field of Majtény the next day.

1712-1758 Letters of Kelemen Mikes.

1723 The Hungarian Pragmatica Sanctio (inheritance on the female line).

8 Apr. 1735 Death of Rákóczi at Rodostó. Revolt of peasants from Békés county and Serbian border guards (Péro) from the Maros region.

1740 Death of Károly III, succeeded by Maria Theresa (until 1780).

1745 National assembly of Pozsony: the feudal ranks promise assistance to Maria Theresa. Guaranteeing of tax exemptions on noblemen's land.

1750 Construction starts on the Grassalkovich mansion at Gödöllő.

1751-1900

1753 Peasant movements of Hódmezővásárhely and Mezőtúr.

1754 Maria Theresa's customs decrees.

1755 Peasant movement in Kőrös county.

1760 Organization of the Staatsrat (survives until 1848). The organization of the Vienna-based Hungarian noblemen's bodyguards.

1764 Massacre at Madéfalva. The emigration of the Széklers starts.

1765 Transylvanian Grand Duchy.

1765-1766 The peasant movements of Transdanubia.

1767 Publication of a decree on statute labour by Maria Theresa.

1774 Invasion of Bukovina.

1777 Ratio Educationis: Maria Theresa's educational decree. The second Illyrian Regulamentum; settlement of the situation of Serbs living in Hungary.

1778 Rejoining of the Temes banate.

1779 Fiume linked to Hungary.

1780-1790 Rule of József II.

1781-1782 Confirmation of the Placetum Regium: Jewish decree, the press decree, the decree on patience, the decree on secularization, unification of the governor council and the Hungarian Chamber, the unification of the Hungarian and Transylvanian chancellery.

1784 Language and customs decrees promulgated by King József II. Serfs revolt in Transylvania under the leadership of Horia and Closca.
 1785 Decree on serfs. Abolition of eternal serfdom.
 1790 Cancellation of decrees by József II.
 1790-1792 King Lipót II.
 1792-1835 King Ferenc I.
 1792 Open letter to Ferenc dictated by Martinovics.
 1793 Restoration of the customs border line between Hungary and Austria.
 1794 Leaders of the Hungarian Jacobite movement arrested.
 1795 Archduke Sándor Lipót's memorandum on the basic principles of governing.
 20 May 1795 Execution of the Jacobite leaders.
 1806 County Pest turns over to the use of the Hungarian language. II Ratio Educationis.
 1807 Peasant revolt at Syrmia.
 15 May 1809 Napoleon's proclamation to the Hungarians
 24 June 1809 Battle of Győr.
 31 Aug. 1809 Győr receives Napoleon.
 1811 Publication of a royal decree about the devaluation of paper money to a fifth of its original value. The feudal orders protest.
 1811-1886 Ferenc Liszt.
 1815 Outbreak of a nationwide cholera epidemic.
 1816 Royal decree: Paper money devalued by 40%.
 1822-1833 Increasing resistance from the counties.
 1823 Ferenc Kölcsey: the National Anthem.
 1825 Széchenyi pledges the funds to establish the Academy of Sciences.
 1828 First horse race in Pest.
 1830 Publication of István Széchenyi's work Credit. Opening of the first steam ship service between Pest and Vienna.
 1831 Miklós Wesselényi: Misjudgements. István Széchenyi: World. Outbreak of cholera epidemic at Szécskeresztúr.
 1832-1836 The period of the first Reform Age national assembly.
 1832 'Reports from Parliament' launched by Kossuth.
 1833 Debates conducted by the two houses in Hungarian.
 1834 Formation by the young parliamentarians of the Debating Association.
 1835 Prosecution of Wesselényi.
 1835-1848 Rule of King Ferdinand V.
 1836 Kossuth starts Municipal Records publication.
 1837 Kossuth arrested.
 13-15 March 1838 Pest flood.
 29 Apr. 1840 Kossuth, Wesselényi and the young university students released.
 1841 Formation of the Hungarian Industrial Association. Pesti Hírlap starts. The Szatmár 12 points. István Széchenyi: 'People of the Orient'. 1842 The laying of the foundation stone of the Chain Bridge.
 1844 The Hungarian Trade Society, the Society for the Establishment of Factories.
 12 Nov. 1847-11 Apr. 1848 Last feudal national assembly.
 6 March 1848 Adoption of the manumission compensation law.
 11 March 1848 Formulation of the 12 Points.
 15 March 1848 Parliamentary delegation leaves for Vienna. Revolution in Pest.
 17 March 1848 Royal ordinance: Lajos Batthyány declared prime minister.
 7 Apr. 1848 Formation of the Batthyány government.
 14 Apr. 1848 Government moves from Pozsony to Pest.
 29 Sept 1848 Battle of Pákozd.

30 Oct. 1848 Battle of Schwechat.
 2 Dec. 1848 – 21 Nov. 1916 Rule of Franz Joseph I (king of Hungary from 8 June 1867).
 14 Apr. 1849 Dethronement of the House of Habsburg. Kossuth elected governor-president.
 23-24 Apr. 1849 Liberation of Pest.
 1 May 1849 Formation of the Szemere government.
 4-21 May 1849 Siege and liberation of Buda.
 9 May 1849 Czarist proclamation about Russian assistance.
 30 May 1849 Haynau appointed commander in chief of the imperial army by the sovereign.
 11 July 1849 Occupation of Buda and Pest.
 31 July 1849 Battle of Segesvár. Death of Petőfi.
 11 Aug. 1849 Resignation of Kossuth, Görgey receives full powers.
 13 Aug. 1849 Surrender at Világos.
 6 Oct. 1849 Execution of Lajos Batthyány and the 13 martyrs of Arad.
 1850 Haynau relieved of his post. Abolition of the customs border between Austria and Hungary.
 1851 Establishment of the Imperial Council.
 5 Dec. 1851 -14 July 1852 Kossuth travels to America.
 1853 Publication of the manumission patent.
 8 Apr. 1860 Death of István Széchenyi at the Döbling mental hospital.
 1860 Sentencing of Mihály Táncsics – October Diploma.
 1861 The February Patent – Deák's petition. The assembly of Romanians at Balázsfalva.
 1861 The Slovak national assembly at Túrósztömör.
 1862 Publication of Kossuth's Danube Confederation Plan.
 16 Apr. 1865 Publication of Deák's Easter article.
 22 Feb. 1866 Deák's petition proposal.
 29 May 1867 Adoption of the Compromise in Parliament.
 8 June 1867 Coronation of Franz Joseph.
 1868 Formation of the General Workers' Association. The Croatian-Hungarian Compromise (article 30 1868). Law on elementary schools and the nationalities (article 44).
 1871-1879 Joint foreign ministerial position of Gyula Andrássy.
 1872 First political worker's trial ("traitor case").
 1873 Unification of Pest, Buda and Óbuda.
 1874 New election law.
 1878 Renewal of economic compromise between Austria and Hungary. Invasion of Bosnia and Herzegovina.
 1879 The law on elementary schools.
 1880 Formation of the General Workers' Party of Hungary.
 1882-1883 The "religious rites trial" of Tiszaeszlár. Antisemitic wave in Hungary.
 1875-1884 Mikós Ybl: construction of the Opera House.
 1885 Reform of the upper house.
 1890 This is the first time May Day is celebrated by the Hungarian workers. Formation of the Social Democratic Party of Hungary.
 1894 Formation of the Social Democratic Workers' Party of Hungary under the leadership of Pál Engelmann.
 2 Apr. 1894 Funeral of Lajos Kossuth.
 1895 Congress of nationalities in Budapest.
 2 May 1896 Opening of the Millennium exhibition.
 1896 Foundation of the Nagybánya Artists' Colony.
 1899 The Kálmán Széll pact with the opposition, fusion of the National Party with the government party.
 1899-1903 Kálmán Széll's government.
 1899 1st National Trade Union Congress.

1900 Reorganization by Vilmos Mezőfi of the Social Democratic Party.

1901-1939

1903 Defence debate in Parliament.

1903-1905 István Tisza's government.

1904 Organization of the associations of the opposition parties.

Jan. 1905 Parliamentary elections: fall of the Liberal Party.

1 May 1905 Nationwide workers' demonstrations, strike by Budapest foundry workers and servants and harvesters from Transdanubia.

1905-1906 The so-called 'guardsman' government of Géza Fejérváry.

15 Sept. 1905 "Red Friday".

Dec. 1905 Revival of resistance in the provinces. 1906 Formation of the Social Democratic Agricultural Workers' Association. Formation of the Independent Socialist Peasant Party of Hungary under the leadership of András Áchim L.

1906-1910 Government of Sándor Wekerle.

1907 Austro-Hungarian economic compromise. Formation of the Christian Socialist Party under the leadership of Sándor Giesswein. The Zagreb high treason trial.

10 Oct. 1907 Major workers demonstration: "Red Thursday".

27 Oct. 1907 The Csernova salvo against Slovak demonstrators.

6 Oct. 1908 Annexation of Bosnia and Hercegovina.

1909 Formation of the National Independence and the 48 Economic Party under the leadership of István Szabó of Nagyatád. Split in the Independence Party: foundation of a party by Gyula Juth.

1910-1912 Károly Khuen-Héderváry's government.

1910 Formation of the National Workers' Party under the leadership of István Tisza.

1911 Murder of András Áchim L.

1912-1913 László Lukács's government.

23 May 1912 General strike and demonstration in Budapest ("blood red Thursday").

1912 Attempt against István Tisza in Parliament. 1913-1917 István Tisza's government

1913 Formation of the United Independence and 48 Party under the leadership of Mihály Károlyi.

1914 Formation of the National Civil Radical Party under the leadership of Oszkár Jászi.

28 June 1914 Assassination at Sarejevo.

23 July 1914 Ultimatum to Serbia.

28 July 1916 Declaration of war against Serbia. July 1916 Formation of a party by Mihály Károlyi.

21 Nov. 1916 Death of Franz Joseph I.

21 Nov. 1916-16 Nov. 1918 Rule of King Károly IV.

23 May 1917 Resignation of István Tisza.

8 June 1917 Formation of the Suffrage Bloc.

15 June -18 Aug. 1917 Count Móric Esterházy's government.

25 Nov. 1917 Mass rally at the industrial hall in Budapest.

20 June 1918 General political strike in Hungary. 25 Oct. 1918 Formation of the Hungarian National Council.

28 Oct. 1918 Battle at Chain Bridge.

29 Oct. 1918 Government of János Hadik.

30 Oct. 1918 Formation of the workers' councils. 30-31 Oct. 1918 October civil democratic (Michaelmas) revolution.

31 Oct. 1918-8 Jan. 1919 Government of Mihály Károlyi.

2 Nov. 1918 Formation of the Budapest Workers' Council.

6 Nov. 1918 Troops of the Czechoslovak Republic march in to Slovakia.

9 Nov. 1918 Serbian royal troops at Újvidék.

15 Nov. 1918 Romanian troops start march into Romania.

16 Nov. 1918 Proclamation of the republic.
 24 Nov. 1918 Formation of the Hungarian Party of Communists.
 1 Dec. 1918 Mass rally of Transylvanian Romanians at Gyulafehérvár.
 7 Dec. 1918 Publication of Red News.
 11 Jan. 1919 Mihály Károlyi elected president of the republic.
 18 Jan.-20 March 1919 Government of Dénes Berinkey.
 15 Feb. 1919 Formation of the Party of National Unity under the leadership of István Bethlen.
 16 Feb. 1919 Publication of the law on land reform.
 20 Feb. 1919 Leaders of the Communist Party arrested.
 23 Feb. 1919 Mihály Károlyi distributes his estate at Kálkápolna.
 20 March 1919 Lieutenant Colonel Vix presents the Entente's note about the new demarcation line.
 Resignation of the Berinkey government.
 21 March 1919 Proclamation of the Hungarian Republic of Councils.
 2 Apr. 1919 Provisional constitution of the Republic of Councils issued.
 3 Apr. 1919 Nationalization of medium and large landed estates.
 18 Apr. 1919 Royal Romanian Army attacks.
 27 Apr. 1919 Czechoslovak interventionist troops join the Romanian attack.
 1 May 1919 Romanians reach the Tisza.
 2 May 1919 Czechoslovaks march into Miskolc.
 5 May 1919 Gyula Károlyi's counter-revolutionary government at Arad.
 30 May 1919 Beginning of the attack from the north.
 1 1919 Railway strike in Transdanubia.
 6 June 1919 Red Army marches into Kassa.
 8 June 1919 Clemenceau's telegram concerning the halting of the advance.
 12-13 June 1919 Party congress.
 14-23 June 1919 National Assembly of Councils. 24 June 1919 Counter-revolutionary revolt in Budapest.
 30 June 1919 Red Army withdraws from liberated areas.
 24 July 1919 Romanian counterattack.
 1 Aug. 1919 Resignation of the government of the councils.
 1-6 Aug. 1919 Social Democratic Party of Gyula Peidl.
 3 Aug. 1919 Romanian troops march into Budapest. .
 6 Aug.-24 Nov. 1919 Government of István Friedrich.
 9 Aug. 1919 Miklós Horthy makes commander in chief independent.
 19 Aug. 1919 Abolition of the government of Szeged.
 24 Aug. 1919 Reformation of the Social Democratic Party.
 16 Nov. 1919 Horthy marches into Budapest.
 17 Feb. 1920 Béla Somogyi and Béla Bacsó murdered.
 1 1920 Election of Miklós Horthy as regent.
 4 June 1920 Treaty of Trianon with Hungary.
 5 July-8 Dec. 1920 Trial of the People's Commissars.
 26-30 March 1921 First coup attempt by King Károly IV.
 6 Nov. 1921 Dethronement of the House of Habsburg.
 22 Dec. 1921 Concord between the Social Democratic Party and the Bethlen government. 31 Jan.
 1923 Hungary joins the League of Nations.
 2 July 1924 League of Nations loan.
 14 Apr. 1925 Formation of the Hungarian Socialist Workers' Party under the leadership of István Vági.
 18-21 Aug. 1925 First congress of the Party of Hungarian Communists in Vienna.
 27 Apr. 1926 Salgótarján miners stage hunger march.
 11 Nov. 1926 Restoration of the upper house of Parliament.

15 May 1927 Elimination of military control.
 Feb. 1930 Second congress of the Party of Hungarian Communists held in the Soviet Union.
 1 Sept. 1930 Protest demonstration by Budapest workers.
 13 Sept. 1930 Formation of the Smallholders' Party
 21 Aug. 1931-21 Sept. 1932 Government of Gyula Károlyi.
 12 Sept. 1931 Attempt at Biatorbágy.
 20 Sept. 1931 Martial law declared.
 1931-1936 Operation of the United Trade Union Opposition.
 29 July 1932 Execution of Imre Sallai and Sándor Fürst.
 1-12 Oct. 1932 Government of Gyula Gömbös.
 26 Oct. 1932 Announcement of the 95-point programme of Gyula Gömbös.
 4 Feb. 1934 Resumption of Hungarian-Soviet diplomatic relations.
 Feb. 1934 Hungarian-German economic treaty. 11 March 1934 Rome protocol about cooperation between Hungary, Italy and Austria.
 12 Oct. 1936-13 938 Government of Kálmán Darányi.
 15 March 1937 Formation of the March Front. Nov. 1931 Hungarian-German agreement against Czechoslovakia.
 5 March 1938 Proclamation of the Győr programme.
 8 Apr. 1938 Introduction of the first Jewish law in Parliament.
 8 May 1938-16 Feb. 1939 Government of Béla Imrédy.
 2 Nov. 1938 First Vienna award – part of the Uplands linked to Hungary.
 24 Dec. 1938-3 May 1939 Parliamentary debate of the second Jewish law.
 13 Jan. 1939 Hungary announces its participation in the Anti-comintern Pact.
 12 Feb. 1939-3 Apr. 1941 Government of Pál Teleki.
 15 March 1939 Invasion of sub-Carpathia.
 11 Apr. 1939 Hungary leaves the League of Nations.
 18 Apr. 1939 Teleki visits Hitler.
 28-30 May 1939 Arrowcross Party gains ground in elections.
 June 1939 Formation of the National Peasant Party.

History of the Second World War

1 Sept. 1939 Teleki government prepares for war. 23 Sept. 1939 Restoration of Hungarian-Soviet diplomatic relations.
 30 Aug. 1940 Second Vienna award. Accession of northern Transylvania to Hungary.
 8 Oct. 1944 Formation of the Hungarian Renewal Party.
 20 Nov. 1940 Hungary joins the tripartite agreement.
 12 Dec. 1940 Hungarian-Yugoslav treaty of "eternal friendship".
 23 March 1941 Soviet Union returns the flags of the 1848 War of Independence.
 3 Apr. 1941 Pál Teleki commits suicide.
 4 Apr. 1941-9 Math 1942 Government of László Bárdossy.
 11 Apr. 1941 Hungary attacks Yugoslavia.
 23 June 1941 Hungary breaks diplomatic relations with the Soviet Union.
 26 June 1941 Germans bomb Kassa.
 27 June 1941 Hungary's declaration of war to the Soviet Union.
 6 Oct. 1941 Protest demonstration of the National Youth Committee at the Batthyány eternal flame.
 7 Dec. 1941 Great Britain declares war on Hungary.
 25 Dec. 1941 Christmas issue of Népszava edited in the spirit of the people's front concept.
 6-9 Jan. 1942 Ribbentrop visits Hungary.
 19-22 Jan. 1942 Keitel visits Hungary.

1 Feb. 1942 Publication of the illegal Szabad Nép paper.
 End of Feb. 1942 Formation of the Hungarian Historic Memorial Committee.
 19 Feb. 1942 István Horthy made deputy governor.
 9 March 1942-19 March 1944 Government of Miklós Kállay.
 15 March 1942 Protest demonstration of the Historic Memorial Committee at Petőfi Square. Apr.-
 May 1942 Ferenc Rózsa, Zoltán Schönherz and several hundred communists arrested.
 12 June 1943 Defeat of Hungarian troops at Voronezh.
 Sept. 1943 Hungarian government conducts secret negotiations with Western powers.
 19 March 1944 Germans invade Hungary.
 May 1944 Formation of the Hungarian Front.
 May-July 1944 Deportation of the Jewry from the Hungarian countryside.
 June 1944 A new economic agreement with Germany.
 29 Aug.-15 Oct. 1944 Government of Géza Lakatos.
 12 Sept. 1944 Reorganization of the Communist Workers' Party.
 5 Oct. 1944 Soviet army enters Hungary. Gömbös statue destroyed.
 10 Oct. 1944 Agreement between the Communist Party and the Social Democratic Party about unity of action.
 11 Oct. 1944 Signing of the Armistice in Moscow.
 14-19 Oct. 1944 Debrecen tank battle.
 15 Oct. 1944 Horthy's proclamation – Arrowcross coup.
 16 Oct. 1944 Horthy appoints Szálasi prime minister.
 19 Oct. 1944 Liberation of Debrecen.
 11 Nov. 1944 Formation of the Liberation Committee of the Hungarian National Uprising.
 30 Nov. 1944 Szeged programme proposal of the Communist Party.
 3 Dec. 1944 Programme of the Hungarian National Independence Front.
 9 Dec. 1944 Execution of János Kiss and Vilmos Tartsay.
 21 Dec. 1944 opening of the Provisional National Assembly in Debrecen. '
 22 Dec. 1944-7 Nov. 1945 Formation of the Provisional National Assembly under the leadership of Miklós Béla Dálnoki.
 24 Dec. 1944 Execution of Endre Bajcsy-Zsilinszky.
 25 Dec. 1944 Encirclement of Budapest.
 28 Dec. 1944 Hungary declares war on Germany.
 29 Dec. 1944 Soviet truce-bearers were murdered on the outskirts of Budapest.
 18 Jan. 1945 Liberation of Pest:
 20 Jan. 1945 Signing of the ceasefire agreement.
 21 Jan. 1945 Unity of action of the Hungarian Communist Party and the Social Democratic Party.
 13 Feb. 1945 Liberation of Buda.
 24 Feb. 1945 Mátyás Rákosi elected general secretary of the Communist Party.
 17 March 1945 Publication of the land reform decree.
 4 Apr. 1945 Liberation of Hungary.

History of Hungary from 1945 to the Present Day

21 Dec. 1944 Provisional National Assembly meets at the Debrecen Reformed Church college.
 22 Dec. 1944 Provisional National Assembly elects the National Government.
 28 Dec. 1944 Provisional National Government declares war on Germany.

1945

18 Jan. Pest liberated, retreating German troops blow up the bridges across the Danube.
 20 Jan. Hungarian armistice agreement signed in Moscow.
 7 Feb. National Council of the Hungarian Free Trade Unions formed.

12 Feb. Voluntary Buda Regiment formed.

13 Feb. Soviet troops liberate Budapest.

19 Feb. New leader of the Social Democratic Party: Ferenc Szeder; general secretary: Árpád Szakasits.

23-24 Feb. Assembly of the central leadership of the Communist Party in Budapest. The Debrecen and Budapest party leadership merge. Mátyás Rákosi elected general secretary.

26 Feb. Decree 526/1945 of the Provisional National Government declares as void the first and second Vienna awards which took landed areas from Czechoslovakia and Romania in favour of Hungary.

3 March Hungarian Radical Party (MRP) formed in Budapest. President of the provisional steering committee: Imre Csécsy.

17 March Provisional National Government adopts decree 600/1945 on land reform.

29 March At Pusztaszer (Csongrád county), the distribution of land starts amidst celebrations.

4 Apr. Red Army liberates the village of Nemesmedves (Vas county), and with this, the whole of Hungary is liberated.

11 Apr. The Provisional National Government moves from Debrecen to Budapest, and the next day so does the Allied Control Commission.

24 Apr. The daily Népszport published in Budapest.

1 May Hungary celebrates its first free May Day. Hungarian Radio starts regular broadcasts.

20-21 May First national congress of the Hungarian Communist Party.

15 June Prime minister Miklós Béla Dálnoki and Marshall K.J. Voroshilov, president of the Allied Control Commission, sign the Soviet-Hungarian reparation agreement concluded on the basis of talks between 19 May-12 July. In accordance

with the treaty to a value of USD 200 million, Hungary is obliged to pay USD 169 million in industrial goods and the remaining amount in agricultural goods over a six year period.

20 June Soviet Union donates 250 trucks, 18,000 tons of wheat, 1400 tons of meat, 900 tons of salt, 180 tons of coffee, and 100,000 sq. m. of glass to Budapest.

16 Aug. Following the death of Jusztinián Serédi, Pope Pius XII appoints Veszprém bishop Mindszenty as archbishop of Esztergom.

18-20 Aug. 34th congress of the Social Democratic Party in Budapest. It elects Árpád Szakasits as general secretary and Antal Bán and Ferenc Szeder as deputies.

19-20 Aug. The steering committee of the Smallholders' Party held in Budapest elects Zoltán Tildy as national party leader and Ferenc Nagy as president, Béla Varga as acting vice president and Béla Kovács as general secretary.

27 Aug. Hungarian-Soviet economic cooperation and goods exchange signed in Moscow.

5-13 Sept. The session of the Provisional National Assembly raises to a legal level decrees on the abolition of large estates, the distribution of land to the agricultural population, the setting up of people's courts, and the election of MPs. The declaration of war against Germany and the armistice agreement signed in Moscow on Jan. 20 are ratified.

26 Sept. Béla Bartók dies in New York.

7 Oct. Municipal elections in Budapest.

4 Nov. During the National Assembly elections the Smallholders' Party takes 2,697,508 votes (57%) and receives 245 seats; the Hungarian Communist Party 802,122 votes (17%) and 70 seats; the Social Democrats 823,314 votes (17.4%) and 69 seats; National Peasant Party 325,284 votes (6.8%) and 23 seats; Civil Democratic Party 76,424 votes (1.7%) and 2 seats.

15 Nov. Prime minister Miklós Béla Dálnoki and his government resign. The new prime minister is Zoltán Tildy. The composition of the new government: state ministers: István Dobi (Smallholders), Mátyás Rákosi (Communist Party), Árpád Szakasits (Social Democrats). Ministers: internal affairs: Imre Nagy (Communist), agriculture: Béla Kovács (Smallholders), defence: Jenő Tombor (Smallholders), justice: István Ries (Social Democrats), industry: Antal Bán (Social Democrats), trade and cooperatives: Sándor Rónai (Social Democrats), public supply: Károly Bárányos

(Smallholders), transport and communications: Ernő Gerő (Communist), foreign affairs: János Gyöngyösi (Smallholders), welfare: Erik Molnár (Communist), finance: Ferenc Gordon (Smallholders), information: Antal Bala (Smallholders), reconstruction: József Antall (Smallholders), religion and education: Dezső Keresztury (National Peasant Party).

29 Nov. Opening of the first session of the new National Assembly.

29 Dec. In accordance with the Nov. 20/1945 decree of the Allied Control Commission, decree 12330/1945 issued by the Hungarian government arranges for the deportation of ethnic Germans from Hungary. Until the end of Dec. 1946, 135,655 persons are deported.

1946

18 Jan. The first Danube bridge, Kossuth, built after Budapest's liberation, is inaugurated.

20 Jan. Publication of the theoretical periodical of the Communist Party, the Social Review: Editor: Aladár Mód.

Jan: Feb. A mass movement of peasants starts under the slogan "We will not return any land".

1 Feb. The National Assembly adopts article 1 of 1946 law on the abolition of the monarchy, and declares Hungary a republic. Zoltán Tildy is elected president of the republic of Hungary.

4 Feb. The new government is formed. Prime Minister: Ferenc Nagy (Smallholder), and there is no change at the other portfolios.

5 Feb. Trial of Ferenc Szálasi and associates starts. The people's court sentences them to death on the gallows. The sentences are carried out on 12 March.

21 Feb. The United States extends a Loan of USD 10 million to Hungary for purchases from the European stocks of the US Army.

27 Feb. In Budapest Hungarian foreign minister János Gyöngyösi and deputy foreign minister Vladimir Clementis sign an agreement on Hungary-Slovak population exchanges. In accordance with the agreement, the Czechoslovak authorities are entitled to expel as many Hungarians as the number of Slovaks who wish to leave Hungary voluntarily.

5 March The left wing bloc is formed with the participation of the Communist Party, the Social Democrats, the trade union council and the National Peasant Party.

11 March The presidium of the Smallholders accepts the demands of the left wing bloc and expels Dezső Sulyok and 19 National Assembly MPs from the party.

11-12 March First national congress of the National Peasant Party in Budapest. Péter Veres is elected president, while Ferenc Erdei and Imre Kovács become vice presidents. The post of general secretary is annulled.

20 March Imre Nagy who resigns is followed by László Rajk at the head of the interior ministry.

9-18 Apr. A Hungarian government delegation leaves for Moscow. Participants: Ferenc Nagy, Árpád Szakasits, Ernő Gerő and János Gyöngyösi.

10 Apr. MPs expelled from the Smallholders' Party form the Hungarian Freedom Party. President: Dezső Sulyok.

6 May The Hungarian National Bank is placed under state control.

11 May Hungary and Yugoslavia conclude reparation agreements. Hungary is obliged to pay USD 70 million.

8-25 June Under the leadership of Ferenc Nagy, a government delegation leaves for Washington, London and Paris. Those taking part: Mátyás Rákosi, István Ries and János Gyöngyösi.

26 June The National Assembly adopts article XIII of 1946 about the nationalization of the coal mines.

4 July An interior ministry decree disbands the Hungarian Boy Scouts as well as the National Association of Catholic Agrarian Youth. In the next two weeks an additional 1500 organizations and church youth associations are closed.

16 July Formation of the National Association of People's Hostels (Nékosz).

1 Aug. The new currency, the forint, is issued.

20 Aug. Inauguration of the rebuilt Liberty Bridge in Budapest.

28 Sept. -1 Oct. At the third congress of the Hungarian Communist Party the slogan “Out with the people’s enemies from the coalition” is declared. Mátyás Rákosi elected general secretary, with János Kádár and Mihály Farkas as his two deputies.

15 Oct The first flights of Hungary’s domestic civilian air transport company start. between Budapest and Debrecen and Budapest and Szombathely.

28 Nov. 23550/1946 prime ministerial decree valid from 1 Dec. 1946 – on the nationalization of the largest heavy industry plants published.

1947

1 Jan. The daily Szabad Nép reports: The Hungarian interior ministry has exposed an antirepublican conspiracy organized by the Committee of the 7. Members: Bálint Arany, György Donáth, János Héder, Károly Kiss, Kálmán Saláta, Domokos Szent-ivány, and István Szentmiklóssy.

14 Jan. The National Assembly adopts law V of 1947 about the completion of the land reform. In the course of the land reform a total of 3,258,738 cadastral yokes are distributed among 642,342 applicants.

31 Jan.-3 Feb. The 35th congress of the Social Democrats. The party takes a stand in favour of the consolidation of worker unity and a left-wing policy. Once again Árpád Szakasits is elected general secretary.

10 Feb. In Paris, the peace treaty with Hungary, Romania, Italy; Bulgaria and Finland is signed. In accordance with this, Hungary’s borders are identical with those of 1 June 1938 (Trianon border), with the difference that Czechoslovakia receives three villages – Horvátújfalú, Oroszvár and Dunacsúny – situated on the right bank of the Danube. Hungary is obliged to pay compensation to the Soviet Union of USD 200 million, to Yugoslavia and Czechoslovakia of USD 100 million.

27 Feb. The people’s court opens the trial of the anti-republican conspirators. On 2 July, the National Council of People’s Courts endorses the death sentence passed on György Donáth, the sentence of Lajos Dálnoki Veress is amended to 15 years in prison, and 10 years labour for Sándor András.

14 March Hungary and Austria resume diplomatic relations.

29 March The Russian institute of the Péter Pázmány University of Sciences opens.

22 Apr. The “silver train” arrives in Hungary returning looted art treasures and silver taken to Germany.

2-5 May Romanian premier Petru Groza pays an official visit to Hungary at the head of a 100-member delegation.

4 May The 3rd national steering committee of the Peasant Party elects Péter Veress as president and Ferenc Erdei as general secretary.

14 May Premier Ferenc Nagy travels to Switzerland for a holiday, and then on 30 May he announces his resignation at the Hungarian embassy in Berne.

31 May Government of Lajos Dinnyés (Smallholder) formed. Deputy PMs: Mátyás Rákosi (Communist) and Árpád Szakasits (Social Democrat), state minister István Dobi (Smallholder).

2 June Béla Varga (Smallholder), president of the National Assembly, travels abroad.

3 June István Dobi elected president of the Smallholders. The Smallholders expel Ferenc Nagy and Béla Varga.

Beginning of June Some of the heads and staff of the Hungarian embassies in Bern, Vienna, Ankara, London, Paris, Rome and Washington deny recognition of the Dinnyés government and renounce their commissions.

11 June The government sets up the National Planning Board. President: Imre Vajda (Social Democrats), general secretary: Andor Bere (Communist).

1 July National Assembly approves law XVII of 1947 on the Three Year Plan.

10 July The inter-party conference and government decide: Hungary is not going to take part in the Paris conference on the Marshall Plan.

16 July The National Assembly ratifies the peace treaty.

20 July The formation of the Independent Hungarian Democratic Party. Leader: István Balogh, former general secretary of the Smallholders. The political council of the Hungarian Freedom Party (Sulyok Party) disbands the party.

28 July Hungarian Independence Party formed under the leadership of Zoltán Pfeiffer.

31 Aug. Parliamentary elections in Hungary. Results: Communists 1,113,050 votes (22.27%) 100 seats; Smallholders 769,763 votes (15.4%) 68 seats; Social Democrats 744,641 votes (14.9%) – 67 seats; Peasant Party 415,465 votes (8.31 %) – 36 seats; Christian Women's Camp 69,536 votes (1.39%) – 4 seats; Democratic People's Party 820,453 votes (16.41 %) – 60 seats; Hungarian Independence Party 670,547 votes (13.42%) – 49 seats; MRP 83,169 votes (1.68%) – 6 seats; FMDP 260,420 votes (5.21 %) -18 seats; PDP 50,294 votes (1.01 %) – 3 seats.

1 Sept. Several leaders of the Hungarian Social Democrats, referring to the fraudulent use of ballot papers, express doubts about the validity of the elections. Social Democrat ministers refuse to enter their offices.

24 Sept. Lajos Dinnyés forms the government. The post of state minister is abolished.

4 Nov. Zoltán Pfeiffer, leader, of the Independence Party, goes abroad. On 20 Nov. his party is disbanded by the Ministry of the Interior and 48 MPs are deprived of their mandate.

21 Nov. The Hungarian Parliament approves law XXX on bank nationalization.

22-26 Nov. Under the leadership of Lajos Dinnyes, a Hungarian delegation visits Romania. On the 25th, they sign a cultural agreement.

1 Dec. The first issue of Gsillag, the periodical of the Writers' Union, appears. Editor: Andor Németh.

6-8 Dec. Under the leadership of Josip Tito a delegation visits Budapest. On 8 Dec. they sign a Hungarian-Yugoslav agreement on friendship, cooperation and mutual assistance.

1948

22-24 Jan. Romanian premier Petru Groza makes an official visit to Hungary. On 24 Jan. they sign the Hungarian-Romanian friendship, cooperation and mutual assistance agreement.

13-23 Feb. Under the leadership of president of the republic Zoltán Tildy and prime minister Lajos Dinnyés, a government delegation leaves for Moscow. On 18 Feb, they sign an agreement on Hungarian-Soviet friendship, cooperation and mutual assistance.

5-7 March The Social Democrats hold their 36th congress in Budapest. They condemn the attitude of right-wing Social Democrats and expel Anna Kéthly, Ferenc Szeder, Imre Szélig and associates from the party. The party leadership receives authorization to conduct negotiations with the Hungarian Communist Party about the establishment of a unified workers' party. Árpád Szakasits is elected president of the party.

10 March The liaison 'committee of the Hungarian Communist Party and Social Democratic Party brings a resolution on the merger of the two parties by 1 July.

14 March Kossuth prizes awarded for the first time.

22 March The People's Association of Hungarian Youth (MINSZ) established.

31 March Budapest Commodity and Stock Exchange ceases activities.

10 Apr. The repatriation between Hungary and Czechoslovakia ends. In all about 200,000 persons are transferred.

29 Apr. Parliament accepts decree XXV of the 1945 law about the nationalization of factories employing more than 100 persons.

8 July At the request of the Hungarian government, the Soviet Union wipes out the remaining part of Hungarian reparations i.e. USD 65 million.

12 June The 4th congress of the Communist Party and the 37th congress of the Social Democrats declare the merger of the two parties under the name Hungarian Workers' Party (MDP).

12-14 June The first congress of the Hungarian Workers' Party in Budapest accepts the party's programme and rules of organization. The congress elects a 66-member central leadership and a 14-

member party committee (Antal Apró, Mihály Farkas, Ernő Gerő, József Harustyák, János Kádár, István Kossa, György Marosán, Imre Nagy, László Rajk, Mátyás Rákosi, József Révai, Sándor Rónai, Árpád Szakasits, Imre Vajda) as well as a 10-member Central Control Committee, and an Organizational Committee. President of the party: Árpád Szakasits, general secretary: Mátyás Rákosi, deputy secretaries: Mihály Farkas, János Kádár and György Marosán.

16 June Parliament accepts decree XXXIII of the 1948 law about the nationalization of schools. The measure affects 6505 church schools.

16 June-1 Under the leadership of prime minister Lajos Dinnyés a government delegation leaves for Warsaw. On the 18 June they sign a Hungarian-Polish agreement on friendship, cooperation and mutual assistance.

14 July Under the leadership of prime minister Lajos Dinnyés a government delegation leaves for Sofia. On the 16 July they sign a Hungarian-Bulgarian agreement on friendship, cooperation and mutual assistance.

3 Aug. Parliament accepts the resignation of Zoltán Tildy from the post of president of the republic, and elects Árpád Szakasits as his successor.

5 Aug. The government is reshuffled. New ministers: interior: János Kádár, foreign affairs: László Rajk, industry: István Kossa (all three are members of the Hungarian Workers' Party).

20 Aug. In his speech at Kecskemét Mátyás Rákosi outlines the Hungarian Workers' Party programme on the socialist reorganization of agriculture.

6 Sept With decree 288009/1948, the ministry of the interior sets up the State Security Authority, and appoints Gábor Péter, police lieutenant general, as its head.

9 Sept. The president of the republic appoints Ferenc Erdei (National Peasant Party) as state minister. In place of Péter Veres (Peasant Party) he appoints Mihály Farkas (Hungarian Workers' Party) as minister of defence.

7 Oct. Agreement reached between the government and the Reformed and Unitarian churches. In accordance with the agreement, the state pays priests and the Reformed church is permitted to keep four theological colleges and four secondary schools.

10 Dec. The president of the republic appoints István Dobi (Smallholders) as prime minister.

Deputy prime minister-state minister: Mátyás Rákosi. State minister: Ferenc Erdei (Peasant Party).

14 Dec. The government concludes an agreement with the Evangelical church: priests receive state salaries, and the church may maintain one theological college and one secondary school.

18 Dec. Government decree 14000/1948 is published about the organization and operational rules of agricultural cooperatives.

23 Dec. Under a charge of treason, attempt to overthrow the republic, spying and currency speculation, József Mindszenty, archbishop of Esztergom, is arrested.

1949

1 Jan. The first census in Hungary after the liberation. Population: 9,204,799.

1 Formation of the provisional national council of the Hungarian Independent Front from representatives of the Hungarian Workers' Party, the National Peasant Party, the Smallholders' Party and the radical party alliance. President: Mátyás Rákosi, vice presidents: István Dobi and Ferenc Erdei. The Petőfi radio transmitter starts broad-casts.

4 Feb. The political committee of the Democratic People's Party disbands the party.

8 Feb. A special council of the people's court sentences József Mindszenty, archbishop of Esztergom, to life imprisonment.

3 March Merger of the PDP and the MRP. Under the name Hungarian Radical Party it joins the Independent People's Front.

18 Apr. Hungarian-Czechoslovak agreement on friendship, cooperation and mutual assistance signed in Budapest.

15 May At parliamentary elections 94.7% of eligible voters went to the polls: of them, 95.6% voted for candidates of the People's Front.

20. May István Dobi hands in the resignation of his government.

30 May-20 June Under trumped up charges László Rajk, Tibor Szőnyi, Pál Justus and 17 other communists are arrested.

2 June Mihály Károlyi resigns his post as minister in Paris.

11 June Formation of the new Dobi government. Deputy prime minister, minister of state: Mátyás Rákosi, minister of state: Ernő Gerő, Hungarian Workers' Party. Ministers: foreign affairs: Gyula Kállai, Hungarian Workers' Party, internal affairs: János Kádár, Hungarian Workers' Party, defence: Mihály Farkas, Hungarian Workers' Party, education: József Révai, Hungarian Workers' Party, justice: István Ries, Hungarian Workers' Party, finance: István Kossa, Hungarian Workers' Party, communications and post: Lajos Bebrits, Hungarian Workers' Party, agriculture: National Peasant Party, heavy industry: Mihály Zsofinyecz, Hungarian Workers' Party, light industry: György Marosán, Hungarian Workers' Party, building József Darvas, National Peasant Party), home trade: József Bognár, Smallholders, foreign trade: Sándor Rónai, Hungarian Workers' Party, social welfare: Anna Ratkó, Hungarian Workers' Party, religion and public education: Gyula Ortutay, Smallholders,- successor of Imre Vajda, Hungarian Workers' Party, at the head of the National Planning Board: Zoltán Vas, Hungarian Workers' Party

18 June Hungarian government declares the Five Year Hungarian-Yugoslav economic cooperation agreement signed on 24 July 1947 as void.

10 July The 3rd assembly of the National Association of People's Colleges declares the abolition of the organization and the transfer of the colleges to the state.

14-18 Aug. World Youth Festival in Budapest.

18 Aug. Hungarian Parliament adopts article XX/1949 about the new Constitution.

23 Aug. Parliament elects the Presidential Council. President: the then president of the republic, Árpád Szakasits.

5 Sept. The Presidential Council reelects (in unchanged composition) the government that resigned after the Constitution came into force, and with decree 5/1949 it abandons compulsory religious education in schools.

24 Sept. Under a charge of anti-popular crimes, spying, treason, the promotion of the war plans of the imperialist powers and the defeat of the democratic state order, László Rajk, Tibor Szőnyi and András Szalai received death sentences, László Brankov and Pál Justus life imprisonment, Milán Ognjenovics 9 years in prison. The court transfers the cases of György Pálffy and Béla Korondy to the military court. The death sentences are carried out on 15 Oct.

30 Sept. The Hungarian government renounces the friendship treaty with Yugoslavia.

21 Oct. The Budapest military high court sentences – on false charges – György Pálffy, Béla Korondy, Dezső Németh and Otto Horváth to death. The sentences are carried out on 24 Oct.

10 Dec. Parliament adopts article XXV/1949 about the first Five Year Plan.

14 Dec. For administrative reasons, decree 4343/1949 of the Council of Ministers divides the country into 19 counties from the earlier 25, and defines their seats. This measure comes into force on 1 Jan. 1950.

20 Dec. Decree 4349/1949 of the Council of Ministers brings the suburbs and villages into Budapest; the number of districts in the capital increases to 22.

28 Dec. Decree 20/1949 of the Presidential Council declares the nationalization of factories in foreign ownership employing more than 10 persons.

1950

25 Apr. With reference to "health reasons", Árpád Szakasits, president of the Presidential Council, resigns. He is arrested on trumped up charges and condemned to life imprisonment.

7 May The rebuilt Ferihegy airport is reopened. 8-12 May Parliament elects Sándor Rónai as president of the Presidential Council to succeed Árpád Szakasits. Parliament also adopts law 1/1950 about the organization of the councils.

31 May-1 June At the session of the Central Committee of the Hungarian Workers' Party, József

Révai is elected deputy general secretary, Sándor Zöld and István Szabó as members of the Political Committee, László Piros and Mihály Zsöfinyecz as alternate members of the Political Committee. András Hegedűs and István Dénes are declared secretaries of the Central Committee.

23-24 June Under the leadership of deputy prime minister Walter Ulbricht, a GDR government delegation visits Hungary.

16 Aug. György Marosán and other former left wing Social Democrat leaders are arrested on trumped up charges.

30 Aug. Agreement between the government and Catholic episcopacy: the Catholic church receives the right to operate four religious colleges and eight secondary schools. As regards religious orders, the Benedictine, the Piarist, the Franciscan orders as well as a female teaching order can continue to operate.

15 Sept. The Council of Ministers passes a decree on the construction of the metro.

22 Oct. In the course of the first council elections, 96.9% of eligible voters attend the polls: 97.8% vote for candidates of the People's Front.

7 Nov. Stalin, Bridge opens in Budapest. Today it is known as Árpád Bridge.

1951

20 Jan. The Council of Ministers brings a resolution about the basic activities of cooperative farms. In the following weeks a campaign starts for the formation of cooperative farms.

25 Feb.-2 March A resolution approved at the 2nd congress of the Workers' Party in Budapest significantly raises the indicators of the first Five Year Plan, takes a stand in the interest of promoting industrialization, strengthening of the cooperative movement, and state power. The Central Committee session elects the leading bodies of the party, and Mátyás Rákosi is elected general secretary.

15 Apr. Decree 90/1951 of the Council of Ministers makes arrangements for the introduction of bread coupons, and on 16th – for Budapest residents – meat coupons.

20 Apr. The Presidential Council relieves Sándor Zöld of his post as minister of the interior, and elects Árpád Házi as his successor. According to a communique, prior to his arrest Sándor Zöld committed suicide with his family.

12 May The Presidential Council relieves Gyula Kállai and elects Károly Kiss as foreign minister. Gyula Kállai is arrested and a few days later former interior minister János Kádár, former state secretary Géza Losonczy, Ferenc Donáth and Szilárd Újhelyi are taken into custody.

17 June Szabad Nép publishes the communique of the ministry of the interior about the deportation of "former exploiters" from Budapest.

22-26 June The trial of archbishop of Kalocsa József Grósz and his associates. The supreme court sentences the archbishop to 15 years, and his associates to prison sentences ranging from 8 to 13 years (on charges of organizing against the democratic order, currency speculation, helping people escape abroad, and abetment).

21 July The Roman Catholic episcopacy takes an oath on the Constitution.

2 Nov. With the approval of the Council of Ministers the ironworks at Dunapentele and the town are named after Stalin.

11 Nov. Publication of decree 30/1951 of the Presidential Council on the uniform social insurance pension for workers.

1 Dec. Decree 1034/1951 of the Council of Ministers abandons the rationing system, reforms the price and wage system, and makes arrangements for the free turnover of agricultural products.

1952

9 March Spectacular celebrations throughout the country mark the 60th birthday of Mátyás Rákosi.

3 Apr. Building of the Diósgyőr smelter completed.

19 July-3 Aug. In Helsinki at the 15th summer Olympics Hungarian sportsmen and women win 16 gold, 10 silver and 16 bronze medals, thus taking 3rd place in the unofficial points competition.

14 Aug. Hungarian Parliament accepts the resignation of Sándor Rónai, president of the Presidential Council, and István Dobi, president of the Council of Ministers. Sándor Rónai becomes president of Parliament, István Dobi president of the Presidential Council, Mátyás Rákosi president of the Council of Ministers. The composition of the government remains the same.

16 Sept. Decree 80/1952 of the cabinet is published about the tightening of official measures against those violating rules concerning agricultural production and collection.

1953

8 Feb. The Presidential Council relieves Zoltán Vas as president of the national planning board and István Szirmai as president of Hungarian Radio.

9 March A Hungarian state and party delegation under the leadership of Mátyás Rákosi attends the funeral of J. Stalin (d. 5 March).

4 Apr. Publication of a literary anthology: under the title “Stalin, our liberator”.

17 May At parliamentary elections 98% of eligible voters attend the polls: 98.2%. vote for candidates of the Patriotic People’s Front.

27-28 June A session of the Central Committee of the Hungarian Workers’ Party reveals the basic faults in economic policy as well as in political matters, and in their implementation. It points to the absence of collective leadership and to the serious mistakes caused by the cult of personality and violation of democracy within the party. The central leadership reelects the Political Committee, and Mátyás Rákosi as first secretary. Members of the secretariat are elected: Mátyás Rákosi, Lajos Ács and Béla Vég.

3-4 July Parliament reelects István Dobi as president of the Presidential Council, and Imre Nagy chairman of the Council of Ministers. First deputy prime ministers: Ernő Gerő and András Hegedűs.

12 July Decree 10/1953 of the Presidential Council abolishes compensation to be paid by those who fail to hand in target yields, and cuts backdated yield compensation demands by 10%.

26 July Decree 1034/1954 of the Council of Ministers cancels the deportations ordered in 1951.

9 Aug. A decree from the Presidential Council allows small artisans to operate.

23 Aug. Inauguration of the People’s Stadium.

6 Sept. Decree 1047/1953 of the Council of Ministers cuts the price of about 10,000 items by 5-40%.

25 Nov. In London, the Hungarian football team defeat the English national squad 6:3.

1954

6 Jan. The new system of compulsory deliveries comes into force.

21-23 Jan. Parliament approves Law IV of 1953 on the people’s economic plan.

13 March For committing anti-state and anti-popular crimes, the Military Supreme Court sentences Gábor Péter, former leader of the State Security Authority, to life imprisonment, and former justice minister Gyula Décsi to 9 years, and István Timár, former ministerial department head, to 11 years.

9 May Inauguration of the Tisza (Szabolcs-Szatmár county) water barrage.

24-30 May 3rd congress of the Workers’ Party in Budapest approves the guidelines of the second Five Year Plan. A new organizational rule is accepted which emphasizes the Leninist principle of collective leadership. The following are elected members of the Political Committee: Lajos Ács, Antal Apró, Mihály Farkas, Ernő Gerő, András Hegedűs, István Hidas, Imre Nagy, Mátyás Rákosi and Béla Szalai. Alternate members: István Bata and József Mekis.

Members of the five-member secretariat: Mátyás Rákosi (first secretary), Lajos Ács, Mihály Farkas, János Matolcsi and Béla Vég.

13-31 July Danube flood. A major part of Szigetköz is flooded.

1-3 Oct. The Central Committee session of the Workers’ Party debates the situation of the economy

and the economic-political tasks of the party. Sectarianism is identified as the reason for mistakes. 23-24 Oct. At the first congress of the People's Front Pál Szabó is elected president, and Ferenc Jánosi general secretary.

8 Nov. The Soviet Union returns to Hungary the Soviet shares of Hungarian-Soviet mixed ownership companies.

28 Nov: At national council elections, 97.9% of the electorate vote for candidates of the People's Front.

1955

14 Jan. Signing in Belgrade of a Hungarian-Yugoslav goods exchange and payments agreement.

2-4 March In its resolution on the political situation the session of the Central Committee of the Hungarian Workers' Party draws attention to the damaging influences of increasing right wing phenomena, and condemns Imre Nagy as the main representative of right wing opportunists.

19 March Mihály Károlyi dies in the French town of Vence.

14 Apr. The Central Committee expels Imre Nagy from the Political Committee and the Central Committee because of his anti-Marxist views and fractious activities. Mihály Farkas – who supported him – is deprived of all his party functions in the Political and Central Committees.

18 Apr. Parliament relieves Imre Nagy as president of the Council of Ministers, and András Hegedűs is elected his successor.

11-14 May A Hungarian government delegation visits Warsaw. Prime minister András Hegedűs signs an agreement of friendship, cooperation and mutual assistance. (Apart from Hungary, the agreement is also signed by Albania, Bulgaria, Czechoslovakia, Poland, GDR, Romania and the Soviet Union. The aim is to guarantee collective self defence of the socialist countries against a possible imperialist attack in Europe.)

2 Sept. The Central Committee of the Hungarian Workers' Party elects Béla Szalai as secretary of the Central Leadership.

6 Sept The session of the Pest county committee of the Hungarian Workers' Party elects János Kádár – rehabilitated in 1954 and elected as head of the 13th district party committee – as first secretary:

20 Oct. According to a report from the ministry of agriculture, 423 new cooperative farms were formed between 1 Jan.-15 Oct.

3 Dec. The Central Control Committee expels Imre Nagy as a member of the party.

14 Dec. Hungary is admitted to the United Nations.

1956

8-11 Feb. Parliament enacts the United Nations basic charter (article 1 of 1956).

8-23 March Flood danger on the Danube; the island of Mohács is submerged.

12-13 March The session of the Central Committee of the Workers' Party listens to Mátyás Rákosi's report on the 20th congress of the Soviet Communist Party. It is established that the guidelines of the Hungarian Workers' Party conform to the principles proclaimed in Moscow, and no basic changes are required.

15 March The first public programme of the "Petőfi Circle" of the Democratic Youth Organization (DISZ) in Budapest.

27 March At a session of party activists of the Hungarian Workers' Party in Heves county, Mátyás Rákosi announces that the trial of László Rajk and associates was based on provocation; he announces their full rehabilitation.

29 March Árpád Szakasits is rehabilitated and freed.

7-14 June M.A. Suslov, member of the Central Committee of the Soviet Communist Party, holds talks in Budapest.

17-20 June Under the leadership of Kim Il.Sung, a Korean delegation visits Hungary.

3 July Szabad Nép publishes the resolution of the Central Committee of the Soviet Communist Party about overcoming the cult of personality and its consequences.

18-21 July The session of the Central Committee of the Hungarian Workers' Party passes a resolution on the elimination of wavering manifest in the implementation of the June 1953 resolution and about the consistent continuation of the two-front battle. They approve the guidelines of the second Five Year Plan. Mátyás Rákosi is relieved of his post as first secretary and member of the Political Committee. Mihály Farkas is expelled from the Central Committee and the party. János Kádár and György Marosán are elected into the Political Committee. János Kádár becomes secretary of the Central Committee. Ernő Gerő is elected first secretary.

27 Sept.-5 Oct. Talks are held in Yalta between N. S. Khrushchev, first secretary of the Central Committee of the Soviet Communist Party, J.B. Tito and Ernő Gerő.

4 Oct. Imre Nagy in his letter to the Central Committee of the Hungarian Workers' Party, asks for the reinstatement of his party membership.

On 6 Oct. At the Kerepesi cemetery, tens of thou-sands attend the funerals of László Rajk, György Pálffy, Tibor Szőnyi and András Szalai (martyrs of the armed forces and police are buried on 13 and 20 Oct). Protest demonstration gathers at the Batthyány eternal flame. In Moscow, A.I. Mikoyan and M.A. Suslov conduct talks with the delegation of the Hungarian Workers' Party Central Committee, with Ernő Gerő, János Kádár, István Hidas and Zoltán Szántó.

13 Oct. Mihály Farkas taken into custody.

13 Oct. the Political Committee meets his request.

15-22 Oct. Under the leadership of Ernő Gerő, a Hungarian party delegation visits Belgrade.

23 Oct. The delegation of the Hungarian Workers' Party Central Committee returns from Yugoslavia in the morning. The afternoon session of the enlarged membership of the Political Committee discusses the internal political situation and the student demonstration planned for the day. In its resolution the Writers' Union demands Imre Nagy's inclusion in the government and the elabo-ration of "the national unity programme". At 3 pm the demonstration starts. In the evening hours, armed groups attack several public buildings in the capital: the Radio, the telephone centres, the headquarters of the party daily Szabad Nép, the police stations, printing centres and arms depots.

23-24 Oct. The Hungarian Workers' Party Central Committee holds a session in which it declares that a counter-revolution has broken out. They reelect the Political Committee and the secretariat of the Central Committee. The first secretary of the Political Committee is Ernő Gerő.

Its members: Antal Apró, Sándor Gáspár, András Hegedűs, János Kádár, Gyula Kállai, Károly Kiss, József Köböl, György Marosán, Imre Nagy and Zoltán Szántó. Alternate members: Géza Losonczy and Sándor Rónai. Ferenc Donáth, Géza Losonczy, György Lukács, Ferenc Münnich and Imre Nagy are elected members of the Central Committee.

24 Oct. At the request of the Hungarian government, Soviet troops enter Budapest. The Presidential Council elects Imre Nagy as president of the Council of Ministers. The Imre Nagy government is formed. Deputy prime ministers: Antal Apró, József Bognár, Ferenc Erdei. Minister of state: Zoltán Tildy. Ministers: state farms: Miklós Ribánszky, mining and energy: Sándor Czottner, produce collection: Antal Gyenes, domestic trade: János Tausz, internal affairs: Ferenc Münnich, public health: Antal Babics, food: Rezső Nyers, building: Antal Apró, agriculture: Béla Kovács, defence: Károly Janza, justice: Erik Molnár, metallurgy and engineering: János Csergő, light industry: Mrs. József Nagy, communications and post: Lajos Bebrits, foreign trade: József Bognár, foreign affairs: Imre Horváth, culture: György Lukács, education: Albert Kónya, finance: István Kossa, urban and village economy: Ferenc Nezvál, chemical industry: Gergely Szabó, head of the National Planning Board: Árpád Kiss.

In the forenoon hours demonstrations are held in front of Parliament. Shooting breaks out, with the loss of several lives. The session of the Workers' Party Central Committee relieves Ernő Gerő as first secretary, and elects János Kádár in his place.

28 Oct. The Central Committee session of the Hungarian Workers' Party authorizes a 6-member

presidium to lead the party: president: János Kádár, members: Antal Apró, Károly Kiss, Ferenc Münnich, Imre Nagy and Zoltán Szántó. In his evening radio speech, Imre Nagy expresses support for the members of the uprising.

29 Oct. J.B. Tito sends a letter to the Hungarian Workers' Party Central Committee in which he calls for the defence of socialist achievements.

30 Oct. Armed revolutionaries occupy the headquarters of the Budapest party committee at Köztársaság Square, and a large number of soldiers defending the party house are killed. Imre Mező, secretary of the Political Committee, János Asztalos, and József Papp, an army colonel, die in the fighting. The presidium of the Hungarian Workers' Party declares the abolition of the party, and in its place under the name Hungarian Socialist Workers' Party, the formation of a new party is agreed. With the exception of János Kádár, members are recruited from Imre Nagy's group. In his afternoon radio speech, Imre Nagy announces the restoration of the system of post-1945 coalition government. During the night armed groups liberate archbishop of Esztergom József Mindszenty from his prison in Felsőpetény (Nógrád county).

31 Oct. Imre Nagy delivers a speech in front of Parliament. The government is reformed. State ministers: Zoltán Tildy, János Kádár and Géza Losonczy. Minister of defence: Pál Maléter. The other portfolios remained unfilled.

1 Nov. Imre Nagy takes over the leadership of foreign affairs and announces that Hungary is leaving the Warsaw Treaty and wishes to become a neutral country.

2 Nov. The first issue of Népszabadság, central organ of the Hungarian Socialist Workers' Party, is published. N.S. Khrushchev and J.B. Tito discuss the Hungarian situation on the island of Brioni. The government is reshuffled. Prime minister and foreign minister: Imre Nagy (Hungarian Socialist Workers' Party). Ministers of state: Zoltán Tildy, Béla Kovács, István Szabó B. (Smallholders), Antal Kéthly, Gyula Kelemen, József Fischer (Social Democrats), István Bibó, Ferenc Farkas (Petőfi Party), Géza Losonczy, János Kádár (Hungarian Socialist Workers' Party) (the appointment of the latter is formal). As from 1 Nov. János Kádár does not take part in the work of the previous government either. Minister of defence: Pál Maléter. The other portfolios remain unfilled.

3 Nov. At 8 pm archbishop József Mindszenty delivers a speech on radio stating that he does not recognize Imre Nagy's government; he demands the restoration of capitalism and the reinstatement of the pre-war privileges of the church.

4 Nov. In the early morning hours János Kádár announces in a radio speech the formation of the Hungarian Revolutionary Workers-Peasants Government. Prime minister of the government: János Kádár, deputy premier: Ferenc Münnich, members: György Marosán, Antal Apró, Imre Dögei, Imre Horváth, István Kossa and Sándor Rónai. With the assistance of Soviet troops, the crushing of armed opposition begins. Imre Nagy and several members of his government leave for the Yugoslav embassy in Budapest.

7 Nov. In its appeal the Provisional Central Committee of the Hungarian Socialist Workers' Party calls Hungarian communists to join forces; it disassociates itself from the sectarian policy of the Hungarian Workers' Party and the treacherous policy of the revisionist groups. It announces the change of name of the party, details the basic principles of the party and its tasks. The reformation of party organizations begins all over the country.

12 Nov. The government is completed: prime minister: János Kádár, deputy prime minister: Ferenc Münnich, ministers: without portfolio: György Marosán, armed forces and public security matters: Ferenc Münnich, agriculture: Imre Dögei, industry: Antal Apró, trade: Sándor Rónai, foreign affairs: Imre Horváth, finance: István Kossa, post and communications (government commissioner): György Canádi, head of the government committee for public supply: Rezső Nyers. Other ministers: building: József Kilián (as from 24 Dec.), justice: Ferenc Nezvál (as from 29 Dec.), József Mekis (as from 26 Jan. 1957). Decree 21/1956 of the Presidential Council ends the compulsory delivery of agricultural products.

14 Nov. The Central Workers' Council of Budapest is formed.

22 Nov.-8 Dec. In Melbourne at the 16th summer Olympics, Hungarian sportsmen and women win

9 gold, 10 silver and 9 bronze medals.

22-23 Nov. A Romanian party delegation pays a visit to Budapest and agrees that Imre Nagy and associates who are about to leave the Yugoslav delegation in Budapest may go to Romania.

2-3 and 5 Dec. The session of the Provisional Central Committee of the Hungarian Socialist Workers' Party adopts a resolution about the causes and precedents of the Oct. 23 events, the present situation, and the tasks facing the party.

9 Dec. The government declares the Central Workers' Council of Budapest, and all the workers' councils all over the country, illegal.

11 Dec. Decree 28/1956 of the Presidential Council on the introduction of summary procedures against those holding firearms without permission, and crimes committed with these. (In force until 13 Nov. 1957.)

1957

1-4 Jan. Government and party leaders from Bulgaria, Czechoslovakia, Hungary, Romania and the Soviet Union hold talks in Budapest.

4-7 Jan. UN deputy secretary general De Segues visits Budapest.

10 Jan. Hungarian, Chinese and Soviet party and state leaders conduct talks in Moscow.

16-17 Jan. Under the leadership of Chou-en Lai, Chinese prime minister and foreign minister, a delegation visits Hungary.

26 Jan. Publication of a communique from the interior ministry about the arrest of Gyula Háý, Balázs Lengyel, Tibor Tardos and Zoltán Zelk (writers); Sándor Novobáczky and Páf Lócsei (journalists) because of "their participation in counterrevolutionary activities".

9 Feb. Miklós Horthy dies in the Portuguese town of Estoril.

19 Feb. Law 13 of 1957 of the Presidential Council about the organization of the Workers' Militia.

28 Feb. The government is reshuffled. Prime minister: János Kádár, first deputy prime minister: Ferenc Münnich, minister of state: György Marosán.

10 March Decree 16/1957 of the cabinet declares 15 March as a school holiday.

20-28 March Under the leadership of János Kádár, a Hungarian party delegation visits Moscow. They sign an agreement on Soviet goods credit to be extended to Hungary.

21 March Formation of the Hungarian Communist Youth Organization KISZ.

29 March Decree 24/1957 of the Presidential Council about the easing of conditions for the return of persons who left Hungary illegally.

9-11 May Parliament modifies the Constitution and elects the new government. Antal Apró is elected deputy prime minister.

27 May An agreement is signed in Budapest about the legal position of Soviet troops provisionally stationed in Hungary.

15 June At the Municipal Military Court, the trial of Mihály Farkas and Gábor Péter and associates starts. The former receives an 8 year term, the latter a 6 year term in prison.

27-29 June The national conference of the Hungarian Socialist Workers' Party approves the policy of the Provisional Central Committee followed since October 1956 as well as the guideline marked out. They approve a new organizational rule and elect the Political Committee. Members: Antal Apró, Béla Biszku, Lajos Fehér, Jenő Fock, János Kádár, Gyula Kállai, Károly Kiss, György Marosán, Ferenc Münnich, Sándor Rónai and Miklós Somogyi. Alternate members: Zoltán Komócsin and Dezső Nemes. Secretaries of the Central Committee: Jenő Fock, János Kádár, Gyula Kállai, Károly Kiss and György Marosán. First secretary: János Kádár.

27 Sept.-5 Oct. Under the leadership of János Kádár a party and government delegation leaves for China.

21-22 Oct. The session of the National Council of the Hungarian People's Front elects Antal Apró as president and Gyula Ortutay as general secretary.

25-27 Oct. 1st national conference of the National Youth League.

13 Nov. On charges of conspiracy to overthrow the state order, the people's court of the Supreme

Court sentences Tibor Déry to 9 years, Gyula Háy to 6 years, Zoltán Zelk 3 years, and Tibor Tardos to 18 months in prison.

4-22 Nov. Under the leadership of János Kádár a Hungarian government and party delegation visits Moscow.

17 Nov. Decree 63/1957 of the Presidential Council eliminates workers' councils and declares the formation of factory councils.

21 Dec. Géza Losonczy – imprisoned as one of the accused in the Imre Nagy trial – dies in prison.

28 Dec. Decree 65/1957 of the Presidential Council on pensions for the aged, disabled and widows of members of agricultural cooperatives.

1958

24 Jan. Inauguration of the TV transmitter at Széchenyi Hill near Buda.

25 Jan. The presidium of the Hungarian People's Front appoints Gyula Kállai as president.

27-29 Jan. Parliament elects Ferenc Münnich as prime minister, and Antal Apró as deputy prime minister. New ministers of state: János Kádár and Gyula Kállai.

6 Feb. The people's court council of the Supreme Court begins the trial of Imre Nagy and associates.

20-28 Feb. Under the leadership of János Kádár a Hungarian government and party delegation visits Romania.

27-28 March Under the leadership of János Kádár and J. Tito, Hungarian-Yugoslav inter-party negotiations take place in the Yugoslav town of Kara-Gyorgyev.

2-10 Apr. Under the leadership of N.S. Khrushchev, first secretary of the Soviet Communist Party and head of state, a Soviet government and party delegation visits Hungary.

9-12 May Under the leadership of W. Gomulka, first secretary of the Polish United Party, and J. Cyrankiewicz, head of government, a Polish government and party delegation visits Hungary.

20-24 May Under the leadership of János Kádár a Hungarian delegation visits Moscow to attend a conference of the communist and workers parties of the COMECON member states and the political consultative session of the Warsaw Pact.

17 June Publication of a communique from the ministry of justice about the criminal proceedings against Imre Nagy and his associates. The Supreme Court of the People's Court Council condemns Imre Nagy, Miklós Gimes, Pál Maléter and József Szilágyi to death, Ferenc Donáth to 12 years, Zoltán Tildy to 6 years, Sándor Kopácsi to life imprisonment, Ferenc Jánosi to 8 years, Miklós Vásárhelyi to 5 years in prison. The first three death sentences are carried out on 16 June, the fourth in March.

6-7 Oct. In Prague, a Hungarian-Czechoslovak agreement is signed about the joint utilization of the Danube and the joint construction of the Nagymaros barrage system.

16 Nov. At parliamentary and local council elections, 98.4% of those eligible cast their vote. 99.6% voted for candidates of the People's Front.

26 Nov. At the Parliament session officials including those of the Presidential Council are elected, and the composition of the government is confirmed.

1959

22 Jan. The Council of Ministers brings a resolution on the economic strengthening of cooperative farms and the development of the cooperative farm movement.

27 Jan.-5 Feb. Under the leadership of János Kádár a Hungarian party delegation takes part in the 31st extraordinary congress of the Soviet Communist Party.

6 March The session of the Central Committee of the Hungarian Socialist Workers' Party analyses the experiences of the 31st congress of the Soviet Communist Party, evaluates the results of the cooperative farm movement, and defines conditions for faster industrial development.

3 Apr. Decree 12/1959 of the Presidential Council proclaims a partial amnesty. Among others, they suspend the punishment of Zoltán Tildy.

11 Apr. -17 May Under the leadership of Ferenc Münnich a party and government delegation leaves for Mongolia, Vietnam, China and Korea. On 27 April a Hungarian-Chinese treaty of friendship and cooperation is signed in Beijing.

14 May Otto Grotewohl, prime minister of the – GDR, holds talks in Budapest.

4-6 June Under the leadership of N.S. Khrushchev, first secretary of the Soviet Communist Party Central Committee and head of government, a Soviet delegation holds talks in Hungary.

25 July Decree 29/1959 of the Presidential Council extends compulsory education until the age of 15.

25 Sept. The Hungarian Writers' Union is re-formed. President: József Darvas, secretary: Imre Dobozy.

30 Nov.-5 Dec. At the 7th congress of the Hungarian Socialist Workers' Party the party leadership is elected.

First secretary of the Central Committee: János Kádár. **Alternate members of the Political Committee:** Antal Apró, Béla Biszku, Lajos Fehér, Jenő Fock, Gyula Kállai, Károly Kiss, György Marosán, Ferenc Münnich, Dezső Nemes, Sándor Rónai, Miklós Somogyi.

Alternate members: Sándor Gáspár, Zoltán Komócsin, István Szirmai.

Secretaries of the Central Committee: Jenő Fock, Lajos Fehér, János Kádár, Károly Kiss, György Marosán and István Szirmai.

10-14 Dec. Under the leadership of János Kádár a Hungarian delegation leaves for Sofia to attend the 12th session of COMECON where they sign the basic charter of COMECON.

19 Dec. Czechoslovakia, Hungary and the Soviet Union sign an agreement in Moscow on the construction of a new crude oil pipeline.

1960

1 Jan. Census in Hungary. Population: 9,977,870.

10 Jan. Government decree 1002/1960 published about the 15 year housing plan which envisages the construction of 1 million flats.

15 Jan. The Presidential Council relieves Gyula Kállai and György Marosán of their posts as ministers of state and Imre Dögei from the post of minister of agriculture. Gyula Kállai is elected first deputy prime minister, Pál Losonczy minister of agriculture, and Rezső Nyers as finance minister.

1 Apr. Decree 1011960 of the Presidential Council about a partial political amnesty.

14-17 Apr. A. Sukarno, president of the Republic of Indonesia, pays an official visit to Hungary.

26-29 July COMECON holds its 13th session in Budapest.

Aug-Sept At the 17th Rome summer Olympics Hungarian sportsmen and women win 6 gold, 8 silver and 7 bronze medals.

19 Sept. -15 Oct. Under the leadership of János Kádár a Hungarian delegation visits New York to attend the 15th session of the General Assembly of the United Nations.

16-18 Dec. The congress of the Young Communist League elects Zoltán Komócsin as first secretary of the YCL Central Committee.

1961

17 Feb. The Central Committee session of the Hungarian Socialist Workers' Party in Hungary declares that socialist production relations are dominant in the country.

23-24 Feb. A. Novotny, president of Czechoslovakia and first secretary of the Communist Party, holds talks in Budapest.

March Publication of Új Írás (New Writing), a literary and critical magazine.

28-31 July Ghanaian president Kwame Nkrumah holds talks in Budapest.

15-27 Aug. At the head of Hungarian delegation, head of government Ferenc Münnich visits Indonesia and India. On 23 Aug. a Hungarian-Indonesian agreement on friendship and cooperation is signed.

19-22 Aug. Yuri Gagarin in Hungary.

1-7 Sept. Gheorge Gheorghui-Dej, president of the Romanian Council of Ministers, visits Hungary.

12 Sept The Central Committee of the Hungarian Socialist Workers' Party relieves Jenő Fock and Károly Kiss from their posts as secretaries of the Central Committee. Their successors: Sándor Gáspár and Dezső Nemes.

13 Sept. The Presidential Council brings a resolution on the appointment of János Kádár as prime minister and the modification of the government: deputy prime ministers of the Council of Ministers: Antal Apró, Gyula Kállai, Béla Biszku and Jenő Fock. Minister of state: Ferenc Münnich

14 Sept. The Young Communist League Central Committee meeting elects Árpád Pullai as first secretary in place of Zoltán Komócsin.

7-12 Oct. Parliament adopts decree 2/1961 about the educational system.

1962

29 Apr. Completion of the Hungarian section of the Béke electricity grid and the Friendship oil pipeline.

15 June Ceremonial inauguration of the modernized Budapest South Railway Station.

16 June Decree 19/1962 of the Presidential Council on the extension of compulsory education to the age of 16.

14-16 Aug. The enlarged session of the Hungarian Socialist Workers' Party Central Committee passes a resolution on the winding up of trials which have violated the rights of members of the working class movement during the time of the personality cult.

11-12 Oct. The enlarged session of the Hungarian Socialist Workers' Party Central Committee discusses the organization rules. It brings a resolution in the case of György Marosán: due to his activities contrary to the party line, he is relieved of all his party functions.

15 Nov. In Moscow, a Hungarian-Soviet agreement on cooperation in alumina and aluminium production is signed.

20-24 Nov. The 8th congress of the Hungarian Socialist Workers' Party establishes that with the socialist transformation of agriculture, socialist productive relations are general in Hungary and thus the laying of the foundations of socialism has been completed. János Kádár is elected first secretary of the party.

28 Nov. Government reshuffle. Béla Biszku replaces Lajos Fehér as deputy prime minister. Rezső Nyers is followed by Mátyás Timár as minister of finance.

20 Dec. The resolution of the 17th General Assembly of the UN finally removes the so-called "Hungarian question" from the agenda. After this relations between the UN and Hungary begin to improve.

1963

20 Jan. Népszabadság publishes the standpoint of the Hungarian Socialist Workers' Party regarding the relationship of the communist and workers parties to each other, and still disputed questions.

24 Feb. At parliamentary and council elections, 97.2% of those eligible attend the polls. 98.9% vote for candidates of the People's Front.

22 March With its 4/1963 decree the Presidential Council announces an amnesty for all those who abused their power during the time of the personality cult, those sentenced for "counterrevolutionary activities", as well as those accused of having committed anti-state crimes in the past 6 years.

9-12 May The 20th congress of the Hungarian Trade Unions elects Miklós Somogyi as president of the organization, and János Brutyó as general secretary.

12-15 May President of the Finnish Republic Urho Kekkonen visits Hungary.

1-3 July U Thant, UN secretary general, pays a visit to Hungary.

8 Aug. Hungary adds its signature to the atomic test ban treaty, first signed on 5 August.
 9-12 Sept Under the leadership of János Kádár a Hungarian party and government delegation pays a fraternal visit to Yugoslavia.
 1-4 Oct A Hungarian and party delegation head-ed by János Kádár travels to Czechoslovakia. They sign an agreement on a joint Danube power station and the easing of travel conditions.
 30 Nov. The underpass at Astoria is opened.

1964

6 Jan. In place of Árpád Pullai, the Central Com-mittee of the Young Communist League elects Lajos Méhes as first secretary.
 20-22 Feb. The enlarged session of the Hungarian Socialist Workers' Party Central Committee condemns the new breakaway steps of the Chinese Communist Party leadership.
 2-11 March Under the leadership of J.V. Andropov, secretary of the Soviet Communist Party Central Committee, a Soviet delegation visits Hungary.
 19-20 March The 3rd congress of the Hungarian Patriotic People's Front elects Gyula Kállai as president and Ferenc Erdei as general secretary of the organization.
 31 March-10 Apr. Under the leadership of N.S. Khrushchev, first secretary of the Soviet Communist Party, a delegation visits Hungary.
 26-30 May Marshall Abdullah al-Salal, president of the Yemen Arab Republic, pays an official visit to the country. They sign the Hungarian-Yemeni agreement on friendship and cooperation.
 11-16 Sept. Under the leadership of J.B. Tito, a Yugoslav party and government delegation visits Hungary.
 15 Sept. In Budapest, representatives of Hungary and the Vatican sign agreements on the relationship of the Hungarian state and Catholic church, the appointment of bishops, the oath of allegiance of church dignitaries, and the Hungarian papal institute in Rome.
 20-23 Sept. Haile Selassie, emperor of Ethiopia, visits Hungary.
 28 Sept.-3 Oct. Under the leadership of president A. Novotni, first secretary of the Czechoslovak Communist Party, a delegation visits Hungary,
 10-23 Oct. At the 18th summer Olympic games in Tokyo Hungarian sportsmen and women win 10 gold medals.
 29 Oct.-1 Nov. Austrian foreign minister Bruno Kreisky pays an official visit to Budapest.
 21 Nov. Opening of the Elizabeth Bridge in Budapest.

1965

29-31 Jan. Under the leadership of L.I. Brezhnev, first secretary of the Soviet Communist Party's Central Committee, and N.V. Podgorni, secretary of the Communist Party, a delegation visits Hungary.
 Mid March-mid July The flood. The Danube floods about 85,000 hectares of land.
 22 Apr. The National Cooperative Council holds its first session.
 25 June The session of the Hungarian Socialist Workers' Party Central Committee adopts proposals for personnel changes. It proposes relieving János Kádár from his position as prime minister, and appoints Gyula Kállai as his successor.
 1 July The Kallai government takes office. The post of state minister is abolished, and the prime minister has one less deputy.
 19-23 July Luis Corvalán, general secretary of the Chilean Communist Party, and Pablo Neruda, member of the Central Committee, arrive in Hungary,
 30 July – 2 Aug. Under the leadership of Sekou Toure, a Guinean party and government delegation visits Hungary.
 24-30 Aug. Luigi Longo, general secretary of the Italian Communist Party, pays a visit to Hungary.
 11 Sept. János Kádár conducts talks with president J.B. Tito on the island of Brioni.

27 Sept.-3 Oct. Under the leadership of János Kádár a Hungarian party and government delegation visits Mongolia. They sign an agreement on friendship and cooperation.

30 Sept.-3 Oct. A Cambodian government delegation under the leadership of prime minister Son Sann stays in Hungary.

18-20 Nov. The enlarged session of the Hungarian Socialist Workers' Party Central Committee accepts a report on the comprehensive supervision of the economic management system.

1966

10-13 Jan. I.G. Maurer, Romanian prime minister, visits Hungary.

18-19 Jan. W. Gomulka, first secretary of the Polish United Workers' Party, and prime minister J. Cyrankiewicz visit Hungary.

1 Feb.-1 March Gyula Kállai, prime minister, leads a Hungarian government delegation to the United Arab Republic, Ethiopia, Tanzania, Kuwait, India and Cyprus.

10-12 March Under the leadership of János Kádár, first secretary of the Hungarian Socialist Workers' Party Central Committee, and prime minister Gyula Kállai, a Hungarian party and government delegation visits Bucharest.

25-27 May The Central Committee session of the Hungarian Socialist Workers' Party discusses the guidelines of the economic mechanism – reform, and the third Five Year Plan.

4-14 July Waldeck Rochet, general secretary of the French Communist Party Central Committee, visits Hungary.

7-13 Sept. Mohammed Reza Pahlavi, Shah of Iran, pays an official visit to Hungary. He signs the Hungarian-Iranian cultural agreement.

13-23 Sept. Dolores Ibarruri, president of the Spanish Communist Party, leads a delegation to Hungary.

25-26 Sept. Under the leadership of L.I. Brezhnev, general secretary of the Soviet Communist Party, a Soviet party delegation pays a fraternal visit to Hungary.

28 Nov.-3 Dec. The 9th congress of the Hungarian Socialist Workers' Party in Budapest. János Kádár is elected first secretary, secretaries: Béla Biszku, Lajos Cseterki, Zoltán Komócsin, Rezső Nyers and Árpád Pullai. The congress adopts a new organizational rule. The approved congress resolution expresses support for the further development of socialist democracy, the increasing role of Parliament, and the necessity for the elaboration of the new mechanism of economic management. It emphasizes the need to make the development of the national economy more balanced, the more intensive utilization of potentials inherent in household plots, the raising of living standards, as well as the necessity to implement social measures. The resolution states that the main task of the party is the strengthening of scientific-analytical work and that of the theoreticalpolitical control. It calls attention to the need to increase the independence of mass trade unions and movements.

23-28 Dec. In Budapest, a Hungarian-Soviet agreement is concluded on the construction of an 800 mW atomic power station.

1967

29 Jan. Decree 3/1967 of the government is published on child allowances to be provided until the age of 2.5 years.

2-4 Feb. J.B. Tito, president of Yugoslavia and the Association of Yugoslav Communists, pays a fraternal visit to Hungary.

25-31 Feb. János Kádár, first secretary of the Hungarian Socialist Workers' Party Central Committee, travels to the Soviet Union.

6 March Zoltán Kodály dies.

19 March At parliamentary and council elections 98:8% of those eligible to vote attend the polls. 99.7% vote for candidates of the People's Front.

14 Apr. The first session of Parliament elects the Presidential Council, the government and new parliamentary officials. President of the Presidential Council: Pál Losonczi. Prime minister: Jenő Fock. Speaker of Parliament: Gyula Kállai. Deputy prime ministers: Antal Apró, Lajos Fehér, Miklós Ajtai and Mátyás Tímár.

20-22 Apr. The first congress of cooperative farms in Budapest.

2-5 May Austrian chancellor Josef Klaus pays an official visit to Hungary.

3-6 May The 21 st trade union congress elects Béla Blaha as president of the Trade Union Council (SZOT) and Sándor Gáspár as general secretary.

18-19 May Under the leadership of Walter Ulbricht, first secretary of the GDR Central Committee, head of state, and prime minister Willi Stoph, a GDR party and government delegation visits Hungary. They sign a Hungary-GDR agreement on friendship, cooperation and mutual assistance.

24-26 May A delegation of the Romanian Communist Party headed by N. Ceausescu, general secretary of the Central Committee, pays a fraternal visit to Hungary.

9 June Under the leadership of János Kádár a Hungarian party delegation conducts talks in Moscow.

12 June Hungary breaks diplomatic relations with Israel, which – on 5 June – opened a blitz attack without declaring war against Egypt, Syria and Jordan.

11-12 July Party and government leaders of the socialist countries hold talks in Budapest.

6-9 Sept. Under the leadership of L.I. Brezhnev, general secretary of the Soviet Communist Party, and A. N. Kosigyn, prime minister, a Soviet party and government delegation visits Hungary.

On 9 Sept. they sign a new Hungarian-Soviet agreement on friendship, cooperation and mutual assistance.

10-14 Oct. Under the leadership of János Kádár, first secretary of the Hungarian Socialist Workers' Party Central Committee, a delegation visits Czechoslovakia.

25-30 Nov. Hungarian prime minister Jenő Fock conducts talks in Moscow.

1968

1 Jan. The new system of economic management comes into force, and a number of new legal rules become valid.

4 Feb. János Kádár, first secretary of the Hungarian Socialist Workers' Party, conducts talks in Komárno with Alexander Dubcek, first secretary of the Czechoslovak Communist Party Central Committee.

9 Feb. Alvaro Cunhal, general secretary of the Portuguese Communist Party, pays a visit to Hungary.

26 Feb. -5 March The consultative meeting of the Communist and workers parties of 65 countries is staged in Budapest.

6-7 March Headed by János Kádár, first secretary of the Hungarian Socialist Workers' Party Central Committee, and prime minister Jenő Fock, a Hungarian delegation takes part in the session of the Political Consultative Committee of the Warsaw Pact in Sofia.

23 March János Kádár and Jenő Fock leave for Dresden to attend the conference of the leaders of the Bulgarian, Czechoslovak, Polish, GDR, Hungarian and Soviet parties and governments. **25-30 March** Hungarian head of state Jenő Fock pays an official visit to France.

15-17 March Under the leadership of W. Gomulka, first secretary of the Polish United Workers' Party, and prime minister J. Cyrankiewicz, a Polish party and government delegation pays a visit to Hungary. They sign a new friendship, cooperation and mutual assistance agreement.

6-10 July Headed by president Zakir Husain, an Indian delegation conducts talks in Hungary.

13-15 July Under the leadership of A. Dubcek, first secretary of the Czechoslovak Communist Party, and prime minister O. Cernik, a party and government delegation stays in Hungary. **On 14 June** they sign a new agreement on friendship, cooperation and mutual assistance.

27 June-4 July A Hungarian party and government delegation pays a visit to the Soviet Union, headed by János Kádár.

14-15 July János Kádár and Jenő Fock represent Hungary at the Warsaw talks of Polish, Hungarian, GDR, and Soviet party and government leaders.

21 Aug. The armies of Bulgaria, Poland, Hungary, GDR and the Soviet Union march into Czechoslovakia.

12-27 Oct. At the 19th summer Olympic games in Mexico Hungarian sportsmen and women win 10 gold, 10 silver and 12 bronze medals.

24 Oct. The Soviet-Hungarian car manufacturing agreement is signed in Budapest.

1969

5-9 Feb. Mika Spiljak, president of the Executive Council of the Yugoslav Federation, pays a visit to Hungary.

5-10 Feb. János Kádár, first secretary of the Hungarian Socialist Workers' Party Central Committee, leaves for a fraternal visit to the Soviet Union.

5-6 March The joint session of the Central Committee of the Hungarian Socialist Workers' Party and the Council of Ministers accepts a proposal about economic cooperation between COMECON countries as well as topical issues of state life and the further development of socialist democracy.

17 March The political consultative committee of the Warsaw Treaty holds its session in Budapest. An appeal is published for the preparation and holding of the Conference on Security and Cooperation in Europe.

15-16 May Gustáv Husák, new first secretary of the Czechoslovak Communist Party, pays a fraternal visit to Hungary.

13 June Hungary recognizes the Provisional Revolutionary Government of the Republic of South Vietnam. At Százhalombatta, the Danube thermal power station is inaugurated along with the Danube Crude Oil Industry Co.

26-27 June The Central committee of the Hungarian Socialist Workers' Party adopts guidelines on scientific-political matters.

26 Sept.-1 Under the leadership of Urho Kekkohnen, president of the Finnish Republic, a Finnish state delegation pays a visit to Hungary.

5-8 Oct Under the leadership of János Kádár, a Hungarian party and government delegation takes part in celebrations in Berlin marking the 20th anniversary of the formation of the GDR.

13-15 Oct. Julius Nyerere, president of the United Republic of Tanzania, pays an official visit to Hungary.

10-21 Nov. Pál Losonczy, president of the Presidential Council, pays an official visit to India and Iran.

16-18 Dec. János Kádár, first secretary of the Hungarian Socialist Workers' Party central Committee, visits Czechoslovakia.

1970

1-12 Jan. Census in Hungary. Population: 10,314,152.

5 Feb. The general assembly of the Hungarian Academy of Sciences elects Tibor Erdei-Grúz as president, and Ferenc Erdei as general secretary.

18-19 Feb. The session of the Central Committee of the Hungarian Socialist Workers' Party discusses youth political issues and the position of women, and a resolution is adopted about the 10th congress of the party.

12 March The Hungarian cabinet session approves the 15 year perspective development plan of the aluminium industry.

16-17 March Under the leadership of prime minister Jenő Fock a Hungarian delegation conducts economic talks in the Soviet Union.

2 Apr. The first stage of the East-West line of the metro from Fehér Road to Deák Square is inaugurated.

22 Apr. The town of Tiszaszederkény, declared a town in 1966, is renamed Leninváros.
 23 Apr. The session of the National Council of the Patriotic People's Front elects István Bencsik as general secretary.
 27-28 Apr. The session of the Central Committee of the Young Communist League elects István Horváth as first secretary.
 15-19 June Franz Jonas, president of the Austrian Republic, conducts talks in Hungary.
 22-25 June G.M. Nimeri, head of state of Sudan, pays an official fraternal visit to Hungary.
 21 Aug.-21 Sept. Pál Losonczi, president of the Presidential Council, visits the Sudan, Tunisia and the United Arab Republic.
 30 Sept.-30 Oct. Parliament adopts decree 2/1970 about the fourth Five Year Plan.
 4-7 Oct. V.V. Giri, president of the Republic of India, pays a visit to Hungary.
 30 Oct. Decree 43/1970 of the government brings measures about the registration of land areas according to the metric system.
 23-28 Nov. The 10th congress of the Hungarian Socialist Workers' Party elects János Kádár as first secretary of the Central Committee and György Aczél, Béla Biszku, Zoltán Komócsin, Rezső Nyers, Miklós Óvári and Árpád Pullai as secretaries of the party.

1971

18-22 Jan. Hungarian prime minister Jenő Fock pays an official visit to Finland.
 25 Apr. Parliamentary and council elections held in Hungary.
 12 May The first session of the newly elected Parliament elects its officials and the Presidential Council. Prime minister: Jenő Fock, deputy prime ministers: Miklós Ajtai, Lajos Fehér, Mátyás Tímár and Péter Valyi.
 15-16 May E. Gierek, first secretary of the Polish United Workers' Party, and P. Jaroszewicz, prime minister, lead a Polish party and government delegation to Hungary.
 4 June György Lukács, academician and philosopher, dies.
 28 June-2 July Pál Losonczi, president of the Presidential Council, pays an official visit to Austria.
 7-10 July Ludwig Svoboda, president of the Czechoslovak Republic, pays a visit to Hungary.
 12-17 Sept. The king of Nepal, Mahendra Bir Bikram sah Deva, pays a visit to Hungary.
 25-28 Sept. Under the leadership of L.I. Brezhnev, a Soviet government and party delegation visits Hungary.
 28 Sept. Archbishop József Mindszenty, who stayed at the Budapest-based American embassy since 1956, leaves Hungary for good and travels to Rome.
 29 Nov.-14 Dec. Pál Losonczi, president of the Presidential Council, pays an official visit to Guinea and Algeria.

1972

2-3 Feb. Under the leadership of Erich Honecker, first secretary of the German Socialist Unity Party, a GDR party and government delegation holds talks in Hungary.
 29-31 March The second congress of the agricultural cooperatives held in Budapest elects István Szabó as president of the National Council of Cooperatives TOT.
 1 Apr. From this date, compulsory sickness insurance covers small craftsmen, private traders, individual farmers as well as members of the agricultural cooperatives and special agricultural groups.
 26 May On the occasion of his 60th birthday, János Kádár, first secretary of the Central Committee of the Hungarian Socialist Workers' Party, is awarded by the cabinet the title Hero of Socialist Labour, while the presidium of the Supreme Council of the Soviet Union awards him a Lenin Prize.
 30 May – 6 June Under the leadership of Fidel Castro, first secretary of the Cuban Communist Party, a Cuban party and government delegation visits Hungary.
 20-23 June Indian prime minister Indira Ghandi visits Hungary.

6-7 July The American secretary of state W. Rogers, holds talks in Budapest. They sign a Hungarian-American consular agreement.

16 Aug.-1 Sept. At the 20th summer Olympic games in Munich, Hungarian sportsmen and women win 6 gold, 13 silver and 26 bronze medals.

21 Oct. Pál Losonczi, president of the Presidential Council, and Franz Jonas, president of Austria, hold talks in Sopron and Eisenstadt.

14-15 Nov. The Central Committee of the Hungarian Socialist Workers' Party deals with the implementation of the resolutions of the 10th congress and decides on the further tasks, and also adopts resolutions on the guidelines of a 1973 national economic plan and state budget. In essence the resolutions of the Central Committee result in the slowing down of the economic management reform introduced in 1968.

1973

10-13 Feb. Headed by president Agostinho Neto, a delegation of the Angolan People's Liberation Movement visits Hungary.

13 Feb. The Central Committee of the Hungarian Socialist Workers' Party brings a resolution about the demographic situation.

26 Feb.-23 March Under the leadership of Péter Vályi, deputy prime minister, a Hungarian economic delegation visits the United States of America and Canada.

25 May The Gagarin thermal power station and the Thorez surface mine are inaugurated in Visonta.

30 June György Lázár is appointed deputy prime minister by the Presidential Council.

14-13 July János Kádár, general secretary of the Central Committee of the Hungarian Socialist Workers' Party; conducts talks in Yugoslavia with J.B. Tito, president of the Association of Yugoslav Communists.

16-23 July Under the leadership of prime minister Pham Van Dong, a Vietnamese government and party delegation pays an official and fraternal visit to Hungary.

16-20 July French prime minister Pierre Messmer stays in Budapest.

25-28 Sept. János Kádár, general secretary of the Central Committee of the Hungarian Socialist Workers' Party, visits Finland with a party and government delegation.

6 Nov. The Presidential Council appoints István Huszár deputy prime minister.

3-7 Dec. Under the leadership of Todor Zhivkov, first secretary of the Bulgarian Communist Party, a Bulgarian party and government delegation visits Hungary.

21 Dec. Diplomatic relations are established between Hungary and the German Federal Republic.

1974

12 Feb. Czechoslovakia, Yugoslavia and Hungary conclude a treaty about the construction and use of the Adriatic crude oil pipeline.

14 Feb. The Council of Ministers decides on the construction of the Hungarian-Czechoslovak Gabčíkovo-Nagymaros water barrage.

27 Feb.-2 March Romanian prime minister I.G. Maurer pays a visit to Hungary.

19-20 March The enlarged session of the Central Committee of the Hungarian Socialist Workers' Party summons the 11th congress of the party for 1975. It relieves György Aczél and Rezső Nyers as secretaries of the Central Committee, and elects Imre Győri and Károly Németh as secretaries.

21 March The Presidential Council appoints György Aczél and János Borbándi as deputy prime ministers.

10-12 Apr. Headed by János Kádár, a Hungarian party and government delegation pays a visit to Czechoslovakia.

27-28 Apr. A Yugoslav party and government delegation headed by president J.B. Tito visits

Hungary.

21 June The Presidential Council declares the division of the ministry of culture into the ministry of education and the ministry of culture.

25-30 Sept. Under the leadership of János Kádár, general secretary of the Central Committee of the Hungarian Socialist Workers' Party, a party and government delegation visits the Soviet Union.

12-14 Oct. Yasser Arafat, president of the PLO, holds talks in Hungary.

25 Oct. The Soviet-Hungarian ethylene long-distance grid is linked at Beregdaróc.

21-29 Nov. Prime minister Jenő Fock visits India and Burma.

28-31 Nov. Pál Losonczi, president of the Presidential Council, pays a visit to Poland.

1975

3 March The olefin plant of the Tisza Chemical Combine is inaugurated at Leninváros.

17-22 March The 11th congress of the Hungarian Socialist Workers' Party approves the party programme and also approves the new organizational statute. Béla Biszku, András Gyenes, Imre Győri, Károly Németh, Miklós Óvári and Árpád Pullai are

elected secretaries of the Central Committee. Once again, János Kádár is elected first secretary of the Central Committee.

1 Apr. The new steel rolling works of the Lenin Foundry at Miskolc is inaugurated.

15 May The Presidential Council relieves Jenő Fock from his post of prime minister, and György Lázár is elected as his successor. The new president of the National Planning Board is István Huszár. Gyula Szekér is elected deputy prime minister.

25 May The Zánka pioneer town is ceremoniously inaugurated.

15 June Parliamentary elections in Hungary.

24-26 June Budapest hosts the 39th session of COMECON.

2 July At the enlarged session of the Hungarian Socialist Workers' Party István Huszár and Pál Losonczi are elected members of the Political Committee.

4 July Parliament elects its officials and the Presidential Council. President of the Presidential Council: Pál Losonczi, deputy presidents Sándor Gáspár and Rezső Trautmann. Parliament endorses the function of the government appointed on 16 May 1975. It relieves Mátyás Tímár from his function as deputy prime minister and elects Ferenc Havasi to that post. The Council of Ministers appoints Mátyás Tímár as president of the Hungarian National Bank.

28-29 July British foreign secretary James Callaghan holds talks in Hungary.

30 July-1 Aug. Under the leadership of János Kádár, a Hungarian delegation leaves for Helsinki to sign the closing document of the Conference on Security and Cooperation in Europe.

3 Oct. The foundation stone of the Paks nuclear power station is ceremoniously laid.

3-8 Oct. Under the leadership of Le Duan, first secretary of the Vietnamese Workers' Party, a party and government delegation visits Hungary.

22 Oct. The Hungarian Council of Ministers approves investments required for partial mining research related to the Recsk copper deposit.

27 Oct.-4 Nov. Pál Losonczi, president of the Presidential Council, pays a visit to Somalia and the Yemen People's Democratic Republic.

31 Oct. The rod and wire rolling mill of the Ózd furnace plant is inaugurated.

11-14 Nov. Prime minister György Lázár visits Italy.

24-29 Nov. Pál Losonczi, president of the Presidential Council, pays a visit to Libya and Tunisia.

28-29 Nov. Under the leadership of president Yasser Arafat, a PLO delegation visits Hungary.

17-19 Parliament enacts the fifth Five Year Economic Plan (Law 4 of 1975).

1976

13 Feb. The first and second stage of the Fraternity gas pipeline is inaugurated in Leninváros.

18-19 March Parliament adopts Law 1 of 1976 about national defence, and Law 2 of 1976 about the protection of the human environment.

2 Apr. The Skála Budapest department store opens.

8-11 May The 9th congress of the Young Communist League elects László Maróthy as first secretary.

16-19 May Prime minister György Lázár visits Austria.

24-27 May The delegation of the French Socialist Party headed by Francois Mitterrand visits Hungary.

13-17 June Hungarian prime minister György Lázár pays an official visit to France.

17 July-1 Aug. At the Montreal summer Olympic games Hungarian sportsmen and women win 4 gold, 6 silver and 13 bronze medals.

14-15 Sept. Parliament brings a law on public education (Law 5 of 1976).

17-20 Nov. Finnish president Urho Kekkonen pays a visit to Hungary.

24 Nov. Hungarian TV regional studios are inaugurated at Pécs and Szeged.

6-8 Dec. János Kádár, general secretary of the Central Committee of the Hungarian Socialist Workers' Party, visits Austria. .

7-13 Dec. Pál Losonczi, president of the Presidential Council, pays a visit to India.

22 Dec. The Budapest flyover named BAH is opened to traffic. .

31 Dec. The Hilton Hotel opens in Budapest. The first stage of the north-south metro line is inaugurated (Deák Square–Nagyvárad Square).

1977

10 March The Council of Ministers accepts the proposal about tasks of the computer programme between 1976-1980.

22-25 March Headed by János Kádár, a Hungarian party and government delegation pays a visit to the GDR. On the 24 they signed a new 25-year agreement on friendship, cooperation and mutual assistance.

13 Apr. The enlarged session of the Central Committee of the Hungarian Socialist Workers' Party accepts guidelines on the elaboration of a new long-term housing programme.

2-4 May Prime minister György Lázár visits Norway.

4-6 May The general assembly of the Hungarian Academy of Sciences elects János Szentágothai as president of the Academy.

24-27 May Austrian president Rudolf Kirchschlager visits Hungary.

2 June János Kádár, first secretary of the Central Committee of the Hungarian Socialist Workers' Party, is awarded the Lenin Peace Prize.

7-9 June János Kádár pays a visit to Italy and the Vatican.

15-16 June At Debrecen and Nagyvárad, János Kádár conducts talks with N. Ceausecu, general secretary of the Romanian Communist Party.

15-17 June Prime minister György Lázár visits Finland.

23-28 June The delegation of the Zimbabwe Patriotic Front headed by president Joshua Nkomo visits Hungary.

4-7 July János Kádár pays an official visit to the German Federal Republic.

26 July János Kádár, first secretary of the Central Committee of the Hungarian Socialist Workers' Party, and Leonid Brezhnev, general secretary of the Soviet Communist Party, conduct talks in the Crimea.

26 Aug. The Presidential Council sets up the National Office for Environment and Nature Protection.

22-24 Sept. János Kádár conducts talks in Yugoslavia with J.B. Tito, president of the Association of Yugoslavian Communists, and the president of Yugoslavia.

30 Sept. – 3 Oct. Enrico Berlinguer, general secretary of the Italian Communist Party, visits Hungary.

5-6 Oct. Edward Gierek, first secretary of the Polish United Workers' Party Central Committee, and Polish prime minister Piotr Jaroszewicz, visit Hungary.
 15-18 Oct. Under the leadership of Pál Losonczi, president of the Presidential Council, a Hungarian party and government delegation visits Afghanistan.
 20 Oct. The enlarged session of the Central Committee of the Hungarian Socialist Workers' Party approves the resolution concerning the guidelines of long-term foreign economic policy and the development of production structure.
 27-29 Oct. French prime minister Raymond Barre - pays an official visit to Hungary.
 9-17 Nov. Pál Losonczi, president of the Presidential Council, pays a visit to Mexico and Ecuador.
 24-27 Nov. Georges Marchais, general secretary of the French Communist Party, visits Hungary.
 9 Dec. The water barrage system of the Körös rivers is fully completed.

1978

8 Jan. At a celebration held at the Hungarian Parliament Cyrus Vance, personal representative of the president of the United States, returns St. Stephen's crown and regalia to the people of Hungary.
 19-24 Jan. Ali Nasser Mohammed, prime minister of the Yemen People's Democratic Republic, stays in Hungary.
 16 Feb. As a result of an explosion at the 12/A shaft of the Tatabánya coal mine, 26 miners lose their lives.
 2-4 March The Austrian Kontroll Bank extends a USD 300 million credit for tourism investments.
 21-30 March Willy Brandt, president of the German Social Democratic Party, visits Hungary.
 19-20 Apr. The enlarged session of the Central Committee of the Hungarian Socialist Workers' Party reviews work fulfilled since the 11 th congress. It relieves Béla Biszku from his function as secretary of the Central Committee, and elected Ferenc Havasi and Mihály Korom.
 22 Apr. The Presidential Council appoints József Marjai as deputy prime minister.
 19-22 May Mohammed Reza Pahlavi Aryamehr, emperor of Iran, and his wife pay a visit to Hungary.
 31 May-4 June Samora (Moises) Machel, president of FRELIMO and the Mozambique People's Republic, visits Hungary.
 21-23 June Under the leadership of János Kádár a Hungarian party and government delegation pays a fraternal visit to Poland.
 23-26 June Muammar Al-Kadhafi, general secretary of the secretariat of the Libyan People's Congress, visits Hungary.
 27-30 July Meeting in the Crimea between János Kádár, general secretary of the Central Committee of the Hungarian Socialist Workers' Party, and L.I. Brezhnev, first secretary of the Soviet Communist Party Central Committee.
 12 Oct. The enlarged session of the Central Committee of the Hungarian Socialist Workers' Party accepts guidelines about the housing and economy plan valid until 1990.
 20-22 Oct. Polish prime minister P. Jaroszewicz holds talks in Budapest.
 23-26 Oct. Danish prime minister Anker Jørgensen pays a visit to Hungary.
 24-25 Oct. Joshua Nkomo, co-chairman of the Zimbabwe Patriotic Front, visits Hungary.
 13 Nov. The Alliance (Orenburg) natural gas pipeline is inaugurated.
 15-17 Nov. Under the leadership of János Kádár, a party and government delegation leaves for France.
 19 Nov. The Central Committee of the Hungarian Socialist Workers' Party holds a festive session on the occasion of the 60th anniversary of the formation of the Party of Hungarian Communists.
 29 Nov.-2 Dec. Syrian president Hafez Al-Assad pays an official visit to Hungary.
 3-5 Dec. Head of state and government of Ethiopia Mengistu Hallé Mariam visits Hungary.
 6 Dec. The enlarged session of the Central Committee of the Hungarian Socialist Workers' Party approves the guidelines of the 1979 people's economic plan and state budget. It expresses support

for the improvement of the situation of the people's economy while placing quality and efficiency factors into the foreground. According to the resolution, the pace of economic growth and domestic utilization should be subordinated to these demands.

1979

20 Jan. The Soviet, Czechoslovak, Polish, Hungarian, GDR and Bulgarian energy systems are linked.

4-8 March János Kádár, first secretary of the Central Committee of the Hungarian Socialist Workers' Party, pays a visit to the Soviet Union.

17-19 March György Lázár, president of the Council of Ministers, holds talks in Kuwait.

23-26 March A.S.R. Eanes, president of the Portuguese Republic, pays a visit to Hungary.

16-18 Apr. Thomas P. O'Neil; chairman of the United States House of Representatives, holds talks in Hungary.

14-15 May The foreign ministerial committee of the Warsaw Treaty member states holds talks in Budapest.

28-29 May Pál Losonczi, president of the Presidential Council, visits Austria.

30 May-1 June Under the leadership of L. Brezhnev, general secretary of the Soviet Communist Party Central Committee, a Soviet party and government delegation visits Hungary.

5-9 July Kurt Waldheim, UN secretary general, stays in Hungary.

4-6 Sept. German chancellor Helmut Schmidt pays a visit to Hungary.

7 Sept. The 860 mW Tisza thermal power station is inaugurated in Leninváros.

5-8 Oct Greek prime minister Konstantine Karamanlis visits Hungary. Under the leadership of János Kádár, a Hungarian party and government delegation leaves for the GDR.

20-22 Sept. Prime minister György Lázár holds talks in France.

27 Dec. The Council of Ministers approves the long-term development concept for post and telecommunications.

1980

1 Jan. The unified international metric system (SI) is introduced in Hungary.

2-15 Jan. Census in Hungary. Population: 10,710,000.

11 March A long-term Hungarian-Soviet programme on production specialization and cooperation development is signed.

24-27 March The 12th Congress of the Hungarian Socialist Workers' Party elects János Kádár as first secretary. Secretaries of the Central Committee: András Gyenes, Ferenc Havasi, Mihály Korom, Károly Németh, Miklós Óvári and János Kádár.

29 March The north-south metro line between Nagyváradsquare and Kőbánya-Kispest is inaugurated.

26 May-3 June Bertalan Farkas takes off into space on board the Soyuz-36 space ship.

8 June Parliamentary and council elections in Hungary.

13 June A 40,000 cubic metre water reservoir is inaugurated on Gellért Hill.

27 June The opening session of the new Parliament elects its officials. President of the Presidential Council: Pál Losonczi, president of the Council of Ministers: György Lázár, deputy prime ministers: György Aczél, János Borbándi, Lajos Faluvégi and József Marjai.

19 July-3 Aug. At the 22nd summer Olympic games in Moscow, Hungarian sportsmen and women win 7 gold, 10 silver and 15 bronze medals.

27-29 Sept. Cardinal Agostino Casaroli, state secretary of the Vatican, takes part in church celebrations held at Esztergom and Budapest to mark the 1000th anniversary of the birth of Bishop Gellért.

17-18 Dec. The winter session of Parliament modifies Law 1 of 1976 law on home defence. Compulsory military service is lowered from 24 months to 18 months. The 6th Five Year Plan is

enacted.

1981

29 Jan. A Hungarian-American cooperation agreement is signed about the operation of the Atrium Hyatt hotel.

31 March Ferenc Rófusz' animated short film, The Fly, is awarded the Oscar prize in Hollywood.

1 July The changeover to the five-day working week starts in Hungarian workplaces.

10-14 Aug. The first international congress on Hungarian studies is held in Budapest.

14 Aug. For the first time, steel is produced at the new converter steel works of the Danube Iron Works.

1 Oct. The Evangelical Brotherhood of Hungary is declared as a recognized religious denomination.

2-5 Nov. Ali Nasser Mohamed, general secretary of the Yemeni Socialist Republic Central Committee, pays a visit to Hungary

11 Nov. The Hungarian Police Force is admitted to INTERPOL

16-21 Dec. János Kádár, first secretary of the Central Committee of the Hungarian Socialist Workers' Party, pays a fraternal visit to the Soviet Union.

1982

12 Feb. The Budapest Sports Hall is inaugurated.

23 Feb. In Stockholm, a long-term Hungarian-Swedish trade agreement – valid until the year 1986 – is signed. This declares the most favourable nation treatment principles in goods exchange.

11 March The Society for Hungarian Political Sciences is formed. President: János Péter.

1 Apr. The conditions for child allowance are modified.

7 Apr. The Central Committee session of the Hungarian Socialist Workers' Party adopts guidelines about housing and house maintenance, housing policy economy), as well as about the further development of public education.

18 Apr. The National Memorial Park of Ópuszta-szer is inaugurated.

6 May Hungary is admitted to the International Monetary Fund.

24 May Donated by the Leuven Catholic University of Belgium, the volume containing the text of the Ancient Hungarian "Maria Lament" finds its way to Hungary.

5 June Magic Cube world championship in Budapest..

19 June In Budapest, the Atrium Hyatt Hotel is inaugurated.

2 July The Novotel Hotel opens in Budapest.

7 Hungary signs the basic charter of the International Bank for Reconstruction and Development (World Bank).

7-9 July François Mitterrand, president of the French Republic, pays an official visit to Hungary.

9 Sept. In Moscow, a long-term Hungarian-Soviet economic and technical cooperation agreement is signed.

30 Oct. Parliament adopts legal rules related to house-building and house maintenance, as well as to the further development of housing economy and distribution.

25 Nov. The combined steel works of the Lenin Blast Furnace Works is inaugurated.

28 Dec. The first 220 mW turbogenerator of the Paks nuclear power station is linked to the national electricity grid.

1983

24 Jan. The first Hungarian quintuplets are born in Budapest. At Kiskunfélegyháza (Central Hungary), Mrs. Sándor Tarjányi gives birth to four daughters and one son.

15 Apr. Gyula Illyés dies.

18 Apr. The Hungarian National Bank issues newly designed 5 and 10 forint coins, as well as a Ft 20 coin.

27 June The Hungarian National Bank issues Ft 1000 bank notes

1 July The Hungarian Radio's Petőfi transmitter starts broadcasting stereo programmes on the VHF waveband.

18-23 July Under the leadership of János Kádár, first secretary of the Central Committee of the Hungarian Socialist Workers' Party, a Hungarian party and government delegation visits the Soviet Union. They sign an agreement on cooperation in alumina and aluminium production valid until the year 1990.

10-12 July French prime minister Pierre Mauroy pays an official visit to Hungary. They sign agreements on technical-scientific and economic cooperation to be realized in the field of energy and raw materials.

31 July – 6 Aug. The 68th Esperanto World Congress is held in Budapest

21 Sept. Gala performance in the National Theatre on the occasion of the 100th anniversary of the presentation of The Tragedy of Man by Imre Madách. An appeal is launched for the construction of the new National theatre.

30 Sept. Pál Losonczy, president of the Presidential Council, delivers a speech in New York at the 38th session of the UN General Assembly.

10-15 Oct. The International Space Travel Association holds its 34th Congress in Budapest

11 Oct The theatre named after Sándor Hevesi is inaugurated at Zalaegerszeg.

24 Oct. In Warsaw, a government agreement on Hungarian-Polish bus production, valid until the year 1990, is signed.

30 Oct. The foundation stone of the SOS children's village is laid at Battonya (Southeast Hungary).

3 Nov. The No. 1 440 mW reactor block of the nuclear power station of Paks is inaugurated.

5 Nov. Seven precious paintings stolen from the Museum of Fine Arts.

The thieves are caught and sentenced on 14 May 1984.

15-17 Nov. Austrian chancellor Fred Sinowatz visits Hungary.

22-23 Dec. Parliament adopts the bill on the modification of the Constitution.

1984

1 Jan. Twelve large villages are raised to the rank of towns. With this, the number of Hungarian towns increases to 109. Districts are abolished and villages with town-right status come into being.

28 Jan. The Association of Hungarian Naturists hold their first public meeting.

2-4 Feb. British prime minister Margaret Thatcher makes an official visit to Hungary.

23-24 Feb. Perez de Cuellar, secretary general of the United Nations, visits Hungary.

11-13 Apr. Italian prime minister Bettino Craxi pays an official visit to Hungary.

12-13 Apr. Parliament approves a law on the establishment of the Constitution, and approves the development programme for public and higher education.

17 Apr. The Central Committee of the Hungarian Socialist Workers' Party declares its support for the further development of the economic management system.

28 Apr. The Skála Metro department store is inaugurated in Budapest.

10 May The cabinet approves the proposal on the tasks of the state concerning the further development of the system of economic management.

16 May A statement from the Hungarian Olympic Committee notes that Hungarian sportsmen and women will not be taking part in the 23rd summer Olympic games in Los Angeles.

28 May-2 June Pál Losonczy, president of the Presidential Council, visits Mongolia. A new Hungarian-Mongolian friendship and cooperation treaty is signed.

21-23 June Helmut Kohl, chancellor of the German Federal Republic, pays an official visit to Hungary.

27 Sept. The Hungarian cabinet meeting approves a long-term concept on demographic policy. The renewed Hungarian State Opera opens.

12 Oct. The second reactor block of the Paks nuclear power station is inaugurated.

15-16 Oct. János Kádár, first secretary of the Central Committee of the Hungarian Socialist

Workers' Party, visits France.

9 Nov. Wojciech Jaruzelski, army general, first secretary of the Polish United Workers' Party Central Committee, pays a fraternal working visit to Budapest.

18-20 Nov. Belgian prime minister Wilfried Martens pays an official visit to Hungary.

21 Nov. A Hungarian-Vietnamese friendship and cooperation treaty is signed in Hanoi.

6 Dec. The Council of Ministers and the Trade Union Council approve joint guidelines concerning tasks related to the establishment of new forms of company management.

6-12 Dec. Finnish prime minister Kalevi Sorsa pays an official visit to Hungary.

1985

17 Jan. The Hungarian Council of Ministers approves the working document containing the longterm trends of scientific research.

17-19 Jan. Norwegian prime minister Kaare Willoch visits Hungary.

4 March The session of the TUC elects Tibor Baranyai as general secretary

25-28 March The 13th Congress of the Hungarian Socialist Workers' Party elects János Kádár as first secretary of the Central Committee.

Alternate members of the Central Committee: György Aczél, Sándor Gáspár, Károly Grósz, Ferenc Havasi, Csaba Hámos, János Kádár, György Lázár, Pál Losonczi, László Maróthy, Károly Németh, Miklós Óvári, István Sarlós and István Szabó. Central Committee secretaries: János Berecz, János Havasi, István Horváth, Miklós Óvári, Lénárd Pál and Mátyás Szűrös. Deputy secretary general: Károly Németh. Chairman of the Central Control Committee: András Gyenes

31 March-1 Apr. Prime minister György Lázár leaves for Moscow. They sign a long-term programme of Hungarian-Soviet economic and technical-scientific cooperation, valid until 2000.

18-19 Apr. Parliament adopts the new law on education, the resolution on the long-term tasks of territorial and settlement development, and authorizes the Hungarian government to sign the document on the prolongation of the Warsaw Treaty.

23-24 Apr. Romanian prime minister C. Dascalu stays in Hungary on an official, fraternal visit.

6-10 May The general assembly of the Hungarian Academy of Sciences elects Iván T. Berend as president.

8 June Parliamentary and local council elections in Hungary. This is the first time that the double-candidate system becomes compulsory.

12-14 June Swedish prime minister Olof Palme arrives for an official visit to Hungary.

28 June The first session of the newly formed Hungarian Parliament elects its officials. President of the Presidential Council: Pál Losonczi. President of the Council for Constitutional Rights: Mihály Korom. Parliament approves the proposal of the Presidential Council concerning the composition of the government. President of the Council of Ministers: György Lázár. Deputy presidents: László Maróthy, Lajos Czinege, Judit Csehák, Lajos Faluvégi and József Marjai.

15 Aug. An earthquake measuring 5 on the Richter scale hits the region between Berhida and Peremarton (county Veszprém).

15-21 Sept. Prime minister György Lázár pays an official visit to Japan.

19-21 Sept. The president of the Indonesian Republic, T.N. Suharto, pays an official visit to Hungary.

24-25 Sept. János Kádár, general secretary of the Central Committee of the Hungarian Socialist Workers' Party, travels to the Soviet Union on a fraternal working visit.

27 Sept.-4 Oct. Pál Losonczi, president of the Presidential Council, pays official visits to Angola, Zimbabwe, Tunisia, Guinea and Egypt.

10-12 Oct. Norbert Steger, Austrian chancellor, minister for trade and industry, pays an official visit to Hungary.

31 Oct.-2 Nov. János Kádár, general secretary of the Central Committee of the Hungarian Socialist Workers' Party, pays an official visit to Great Britain.

26 Nov. The European Cultural Forum completes its work in the Budapest Convention Center.

5 Dec. The cabinet approves the programme of the social-economic application of electronics.
11 Dec. János Kádár, general secretary of the Central Committee of the Hungarian Socialist Workers' Party, leaves for Austria.
13-15 Dec. 8th Congress of the Patriotic People's Front.
16-17 Dec. George Shultz, secretary of state of the United States, conducts talks in Budapest.
19-20 Dec. Parliament puts the 7th Five Year Plan into force.

1986

1 Jan. Introduction of the contribution to territorial development. New customs regulations come into force; legal rules affecting mixed companies, as well as the income tax and economic work-communities change.
20-22 May Pál Losonczi, president of the Presidential Council, visits Finland.
8-11 June Mikhail Gorbachev, general secretary of the Soviet Communist Party Central Committee, pays a fraternal visit to Hungary.
10-11 June The Political Consultative Board of the Warsaw Treaty member states meets in Budapest.
24-26 June Turkish president Kenan Evren pays an official visit to Hungary.
11 July Prime minister György Lázár visits Austria.
21 July Sufanuvong, president of the Laotian People's Democratic Republic, visits Budapest.
10 Aug. The Formula One car race is staged in Hungary for the first time.
27 Aug. The third reactor block of the Paks nuclear power station starts operation.
1-5 Sept. The "Pugwash" international peace movement holds its 36th conference in Budapest.
15-17 Sept. Pál Losonczi, president of the Presidential Council, visits Syria.
20 Sept. Prime minister György Lázár conducts talks in Belgium.
7-8 Oct. Beatrix, queen of Holland, pays an official visit to Hungary.
13-16 Oct. Richard von Weizsacker pays an official visit to Hungary.
15-17 Oct. The prime minister of Iran, Mir Hosein Musavi, conducts talks in Budapest.
23-24 Oct. Parliament adopts the new law on family rights.
28 Nov. The law decree of the Presidential Council creates the conditions for the establishment of the two-tier banking system.

1987

11-13 Jan. Prolonged snowing and cold weather create extraordinary conditions throughout the country.
17-19 Feb. Prime minister György Lázár pays an official visit to Italy.
25-27 Feb. Milanko Renovica, president of the presidium of the Central Committee of the Yugoslav Association of Communists, pays an official, fraternal visit to Hungary.
8-10 March British foreign secretary Sir Geoffrey Howe conducts talks in Budapest.
26-27 March Bulgarian prime minister Georgi Atanasov holds talks in Hungary.
10 Apr. The Yourta – Theatre of the Hungarian Theatrical Circle – is inaugurated in Népliget.
13-15 Apr. Danish prime minister Paul Schlüter pays an official visit to Hungary.
21-23 Apr. János Kádár, general secretary of the Central Committee of the Hungarian Socialist Workers' Party, pays an official visit to Sweden. .
19-23 May Abu Iyad, member of the Central Council of the PLO, deputy chairman of EI Fatah, visits Hungary.
8-10 June Dzhambin Batmönh, first secretary of the Mongolian People's Revolutionary Party Central Committee, visits Hungary.
14-18 June Chao Tse-Yang, acting general secretary of the Chinese Communist Party Central Committee, president of the State Council, pays an official, fraternal visit to Budapest.
17-19 June Eduard Shevernadze, Soviet foreign minister, holds talks in Budapest.

25-28 June Parliament decides on personnel issues. The Grósz government is formed.

1988

1 July Academician Brunó F. Straub is elected chairman of the Presidential Committee at the close of the summer session of Parliament.

5 July Károly Grósz and Michail Gorbachev meet in Moscow. The two agree that there are many similarities - even coincidences - between the Hungarian and Soviet concepts on reform.

27 July U.S. President Ronald Reagan welcomes Károly Grósz in Washington, D. C., who is the first Hungarian premier to officially visit the United States in 42 years.

6 August According to data from the Central Bureau of Statistics, the inflation rate has reached 80 per cent – the highest since 1980.

20 August At a mass held in the Budapest Basilica; Cardinal László Paskai announces that the Pope has been invited to Hungary by the Presidential Committee. (Pope John Paul II honoured the invitation in September 1991.)

24 Aug. A 24-hour strike is held in the István shaft of Mecsek Collieries.

28 Aug. Károly Grósz and Nicolae Ceausescu negotiate for nearly eight hours in Oradea. According to the joint communiqué released, the two countries wish to enhance the amicable and goodneighbourly relationships between them.

3 Sept. The Hungarian Democratic Forum - formerly a loose-knit coalition of intellectuals established in September 1987 - is officially founded in Lakitelek.

17 According to Brunó F. Straub, Chairman of the Presidential Committee, the possibility of a multi-party system in Hungary should be given consideration in the long term.

30 Sept The Presidential Committee grants amnesty to those convicted for acts committed between 23 October 1956 and 1 May 1957.

5 Oct. The new Act on Companies passed by Parliament allows private persons to form limited liability companies or companies limited by shares.

12 Oct The Hungarian Scout Association is formed its predecessor was dissolved 40 years earlier.

21 Oct All demonstrations planned for 23 October are banned by the Budapest Police Headquarters.

10 Nov. The Act on Assembly and Association allows the formation of political parties. Negotiating in Budapest, Alexander Yakovlev, member of the Political Committee of the Soviet Communist Party, surmises that a multi-party system could exist in socialism as well.

13 Nov. The Alliance of Free Democrats is established.

19 Nov. The Alliance of Young Democrats (Fidesz) holds its inaugural convention.

24 Nov. Forty-year-old Miklós Németh is elected by Parliament to succeed Károly Grósz as Prime Minister.

29 Nov. The Smallholders Party, the National Farmer's Party, the Hungarian Communist Party, and the Hungarian Social Democratic Party announce their formation.

1989

26 Jan. The Presidential Committee allows the proper reburial of former Prime Minister Imre Nagy and his companions at the request of family members.

28 Jan. Imre Pozsgay, member of the Hungarian Socialist Workers Party Political Committee deems the events that followed 23 October 1956 a popular insurrection. Declares that the role of Imre Nagy, former Prime Minister, should be reinterpreted. Party and Government leaders agree with his ideas.

9 Febr. The government stand for organizing the Budapest-Vienna Expo.

11 Febr. The Central Committee of the Hungarian Social Workers Party agrees on transition to a multi-party system on its two-day closed session.

20 Febr. The Central Committee of the Hungarian Social Workers Party approves the new

Constitution, whereby the party waives its claim to have its leading position set out in the new basic law.

22 March The Opposition Round Table is formed in Budapest.

30 March According to information released by the Central Committee of the Hungarian Social Workers Party, 120 thousand members left and 20 thousand new members joined the party over the last 18 months.

4 Apr. At least 150 thousand Hungarian tourists went shopping to Austria on this holiday – formerly the holiday of liberation from German occupation.

26 Apr. Prime Minister Miklós Németh presents his proposals on government transformation to the Presidential Committee. Recommends Foreign Ministry State Secretary Gyula Horn for Foreign Minister, Deputy Minister of Finance László Békési for Minister of Finance, and the Director of the Historical Institute of the Hungarian Academy of Sciences, Ferenc Glatz for Minister of Culture.

8 May János Kádár is relieved from his position as Party President and his membership in the Central Committee by the Central Committee of the Hungarian Social Workers Party on its closed session. The Reform Circle of the Hungarian Social Workers Party urges further personnel changes.

29 May After the closed session of the Central Committee of the Hungarian Social Workers Party, the Party spokesman declares that Imre Nagy was executed unlawfully.

14 June Imre Nagy is deemed an eminent statesman in a statement issued by the Executive Council. Minister of Justice Kálmán Kulcsár announces the law on the rehabilitation of persons innocently convicted after the 1956 popular insurrection is already in the making. Károly Grósz acknowledges at a meeting that there are power struggles going on among the senior leadership of the Hungarian Socialist Workers Party.

16 June The remains of Imre Nagy, Géza Losonczy, Pál Maléter and József Szilágyi are finally laid to rest at a new wing of the Rákoskeresztúr Cemetery and the names of 235 executed are read out. Nearly 250 thousand lay flowers at the bier set up at Heroes' Square.

24 June Rezső Nyers elected party president by the Central Committee of the Hungarian Social Workers Party.

27 June Mark Palmer, U.S. Ambassador to Budapest meets with representatives of the Opposition Round Table organizations.

6 July Death of János Kádár. Funeral on 14 July.

11 July U. S. President George Bush in Budapest.

18 July According to official data from Bonn, at least sixty East German nationals have entered Austria through Hungary since the demolition of the “Iron Curtain” along the Austro-Hungarian border has been commenced.

14 Aug. The Embassy of the Federal republic of Germany in Budapest is closed temporarily as they are no longer capable of processing the East Germans intending to defect. Hundreds wait outside the Embassy. Hungary negotiates with Berlin on a humanitarian solution.

25 Aug. Prime Minister Miklós Németh and Foreign Minister Gyula Horn negotiate in Bonn about the East German refugees in Hungary.

1 Sept. The Csillebérc Pioneer Camp in Budapest is filled to capacity with 2.5 thousand East Germans, so new arrivals are taken to Zánka by bus.

10 Sept. The Hungarian Government decides to allow East German citizens to emigrate to a third country. As the refugee situation becomes untenable, the relevant agreement signed in 1969 with the German Democratic Republic is temporarily suspended by the Government. Approximately 6.5 thousand East German refugees enter Austria from the country by the afternoon of the following day.

29 Sept. Gyula Horn discusses the case of the East German refugees in New York with the GDR foreign minister. The number of GDR citizens defecting to the Federal Republic of Germany through Hungary has grown to 35 thousand by early October.

7 Oct. The successor to the Hungarian Socialist Workers Party, the Hungarian Socialist Party is

founded. Rezső Nyers is elected Party President.

23 Oct. Mátyás Szűrös, provisional Prime Minister proclaims the Republic of Hungary from the Parliament's balcony on the anniversary of the 1956 revolution.

26 Nov. A referendum is held in which the public votes to dissolve the Workers' Guard, eliminate workplace party organizations, hold the Hungarian Socialist Workers Party accountable and to elect the President of the Republic by Parliamentary ballot. Fifty eight per cent of those of voting age vote in the national referendum.

29 Nov. The bill on supporting Poland and Hungary is signed by the President of the United States.

1990

30 Jan. The Open Skies Conference is opened in Budapest with the participation of the former Warsaw Pact Countries and 23 Member-states of NATO.

7 Febr. The sixteen parties agree at the National Round Table Negotiations that only laws essential for peaceful transition be passed by Parliament until the March elections.

20 Febr. Gyula Horn reckons that there is a possibility of Hungary joining the political organization of NATO in several years' time.

25 March Free, multi-party parliamentary elections are held in Hungary for the first time in 43 years, with a turnout of 70%. Of the 386 seats, MDF acquires 165, SZDSZ 91, the Independent Small Holders' Party 44, the Hungarian Socialist Party 33, Fidesz 21, the Christian Democratic Party 21, the Agrarian Alliance 1, the independents 6 and the joint candidates 4 seats after the second round in 8 April.

1 May The two most powerful parties in Parliament, MDF and SZDSZ agree on appointing Árpád Göncz, member of the National Committee of SZDSZ. Árpád Göncz, provisional President of the Republic appoints József Antall, MDF Party President, to form a government.

16 May József Antall announces the composition of his new government.

18 May U. S. President George Bush welcomes Árpád Göncz in Washington, D. C.

26 May The West German Chancellor and Prime Minister József Antall hold tête-à-tête talks in West Berlin.

6 June The Political Board of the Warsaw Pact meet in Moscow. József Antall observes that it is desirable for the Hungarian Government that the Warsaw Pact be dissolved by late 1991.

3 Aug. Árpád Göncz is elected President of the Republic of Hungary by Parliament.

30 Sept. Municipal elections are held in Hungary, resulting in the dissolution of the council system and replaced by Local Government Representative Bodies.

26 Oct. A blockade of tax drivers paralyzes the Country in a matter of hours. The blockade was the result of a major rise in gasoline prices, initially denied then instituted anyway by the government.

14 Nov. Withdrawing from the contract by a government resolution, OVIBER agreed on indemnification amounting to ATS 2.65 billion with Donaukraftwerk, the Austrian general contractor of the Gabčíkovo-Nagymaros Weir Dam project.

11 Dec. International Relations Minister, Béla Kádár and Konstantin Katusev signed the Hungarian-Soviet trade agreement of 1991, which undertook an obligation to purchase Hungarian machine industry products worth \$1 billion, much less than expected.

1991

7 Jan. The forint is depreciated by 15% relative to the convertible currencies.

10 Jan. Breakout of the so-called "Kalashnikov Case". Hungary supplied 10,000 Kalashnikov rifles and rounds to Croatia on

11 Oct. to arm the local police force. Foreign Minister Géza Jeszenszky initially denied the news, though it was later admitted that Technika Külkereskedelmi Vállalat arranged for the shipment.

15 Feb. Suggesting the 1335 'Summit of Kings', Prime Minister József Antall, Czech President Václav Havel and Polish President Lech Wałęsa signed a comprehensive cooperation agreement in

Visegrád.

20 Feb. The Board of Directors of the International Monetary Fund consented to a special, three-year agreement to be signed with Hungary, where the payments deficit in 1991 may not exceed \$1.2 billion.

7 March The government passed a four-year action plan for the transition and development of the Hungarian economy, proposed by Minister of Finance Mihály Kupa.

23 Apr. Parliament requested the government to initiate the signing of a new intergovernmental agreement with the Slovak party – instead of the one signed in 1977 – in order to resolve the situation arising from the failure to construct the Gabšcikovo-Nagymaros Weir Dam.

19 June The last Soviet soldier leaves Hungary's territory two weeks before schedule.

26 June Following a legislative debate lasting for 12 months, Parliament passes the first Indemnification Act, whose purpose was to partially remedy property-related grievances incurred after 8 June 1949.

8 Aug. The government establishes an interdepartmental committee for refugee issues because thousands fled into Hungary from Yugoslavia – primarily from areas mainly populated by Hungarians – due to the war.

16 Aug. Some 1,000,000 faithful participate in events organized during the five-day visit of Pope John Paul II.

27 Oct. An aircraft with unknown markings arriving from the southern border of the country drops two British-made cluster bombs on the town of Barcs.

22 Nov. The SZDSZ party elects Péter Tölgyessy its president following the resignation of his predecessor, János Kis, due to the decreased popularity of the party.

28 Nov. Prime Minister József Antall discharges György Surányi president of the National Bank of Hungary, who formerly signed the Democratic Charter.

3 Dec. Parliament passes a law on the 1996 World Exposition, to be held in Budapest.

1992

27 Feb. The International World Expositions Office officially registers the 1996 Budapest Expo.

13 March The first Opel Astra rolls off the production line at the General Motors plant in Szentgotthárd.

13 Apr. The European Bank for Reconstruction and Development (EBRD) holds its first annual general meeting in Budapest.

6 May The Visegrád Three (the Czech Republic, Poland, and Hungary) agree to apply for EEC membership jointly.

19 May Parliament passes the National Expenditure Act, submitted more than 12 months previously.

1 July The National Bank of Hungary raises the “tourist allowance”, the currency purchase limit.

3 July Some 1,500 Bosnian refugees remain in Hungary after Austria subjects Yugoslavian passport holders to visa obligations as of 1 July.

20 Aug. In his pamphlet urging the drafting of a new program for the MDF party, István Csúrka requests the government to use power politics and calls upon ailing Prime Minister József Antall to designate a successor.

8 Oct. The removal of labor movement statues from the public areas of Budapest is completed with the demolition of the statues of Marx and Engels.

23 Oct. President of the Republic Árpád Göncz is unable to make his speech at the revolution's commemoration at Kossuth tér because part of the audience whistles him out, and youths wearing nationalist, arrow-cross insignia also appear at the square.

11 Nov. During his visit to Budapest, Russian Premier Boris Yeltsin promises to repay half of the \$1.7 billion Russian debt towards Hungary by supplying military equipment, and an agreement is reached regarding mutual indemnification claims associated with troop evacuation: zero settlement.

13 Nov. Iván Pető prevails over Péter Tölgyessy at the SZDSZ party president election.

33 Nov. Viktor Orbán announces a proposal to eliminate the 35-year age limit for membership in Fidesz.

1993

22 Jan. The national convention of MDF re-elects József Antall party president.

11 Feb. József Antall executes the largest government shake-up so far with the discharge of six ministers.

12 Feb. Eleven children aged 8 to 14 die and 20 are severely injured in Tolna county, when a train collides with a bus carrying students from Pörbőly in a railway crossing.

14 Apr. Parliament passes a law prohibiting the wearing of absolutistic insignia (five-pointed red star, SS badge, swastika, etc.) in public.

7 May József Antall and CEO Osamu Suzuki open a Suzuki plant in Esztergom, capable of turning out 50,000 Suzuki Swifts per year.

11 May Parliament passes the Hungarian-Ukrainian Framework Agreement, signed in December 1991, by open vote.

4 Sept. Some 50,000 people participate in the reburial of the ashes of Miklós Horthy and his wife in Kenderes.

12 Sept. SZDSZ names Gábor Kuncze as its candidate for Prime Minister.

12 Oct. A decision made by the Constitutional Court opens the way to restitution lawsuits, whereby persons committing war crimes in 1956 can be brought before the law.

2 Dec. The cabinet decides that the government should effect a HUF 120 billion capital increase in eight trade banks.

7 Dec. Along with passing the Act on National Defense, Parliament amends the Constitution so that the government may also decide to a limited degree on deploying the army.

12 Dec. József Antall dies. Hungary's 54th Prime Minister headed the government for 43 months. The largest government party proposes Péter Boross as his successor.

1994

8 Feb. Hungary signs the framework document of the Partnership for Peace program, ratified during the Brussels summit in January.

20 Feb. At its 7th national convention, MDF elects Lajos Für party president and Sándor Lezsák managing vice-president.

8 March After 43 months of procrastination, Parliament passes a law, whose purpose was to screen out from public life former 'arrow-cross bearers', those carrying out forced relocation in 1956, and the undercover officers of the Ministry of the Interior's former Department 3/3 and their principals.

31 March Premier Victor Chernomyrdyn signs an agreement in Budapest to settle the still pending \$900 million former Soviet debt by 1996.

1 Apr. Foreign Minister Géza Jeszenszky submits Hungary's official application for Community membership in Athens to the government of Greece, which presided over the European Union at the time.

7 Apr. Final session of Parliament, which had passed 219 laws and 213 amendments throughout its four-year term.

5 May Heading for Budapest from a campaign meeting in Miskolc, socialist party president Gyula Horn has a severe car accident.

29 May In the second round of the Parliamentary elections, MSZP is in first and SZDSZ is in second place. A government is formed in the course of the coalition's negotiations started in June, 72% of which is not in opposition.

15 July Parliament passes the political program proposed by Gyula Horn, and the new cabinet takes its oath of office.

20 July Controlled by vice-presidents since January 1993, new presidents are appointed to

Hungarian Television and Hungarian Radio, in the persons of director Ádám Horváth and editor János Szirányi, respectively.

12 Oct. An Audi plant, capable of producing 750 engines a day, is opened in Győr.

8 Nov. Parliament vetoes the previously passed act on the Budapest EXPO by a 70% majority, open vote.

23 Nov. Péter Ákos Bod, president of the National Bank of Hungary, resigns.

2 Dec. An express train bound for Budapest from Nyíregyháza crashes at Szajol, killing 29 and injuring 52. It is Hungary's most severe railway tragedy in 20 years.

1995

29 Jan. Ministry of Finance László Békesi, resigns.

12 March A package of austerity measures, named after the new Minister of Finance, Lajos Bokros and aimed at establishing financial stability, is announced Sunday evening.

19 March Hungarian Prime Minister Gyula Horn and his Slovak counterpart Vladimir Meciar sign a Framework Agreement between the two countries on the eve of the European Conference on Stability, in Paris.

19 June Parliament elects Árpád Göncz President of the Republic for another five-year term.

30 June The ombudsmen begin their six-year terms.

12 Oct The government decides to raise the retirement age of men and women to a standard 62 years.

7 Nov. The House of Representatives declares the internationally recognized, free convertibility and transfer of the forint, through the new Currency Act.

5 Dec. The government decides to send a 500 strong engineering contingent to the border between Croatia and Bosnia. The troops would maintain and repair roads and bridges.

1996

13 Jan. U.S. President Bill Clinton makes a brief visit to Taszár to negotiate with President of the Republic Árpád Göncz and Prime Minister Gyula Horn.

16 Jan. Twenty military engineers and eight military vehicles set out from Ercsi to Okucani in Croatia, where the Hungarian engineering contingent is based.

17 Feb. Minister of Finance Lajos Bokros resigns, his resignation accepted by Gyula Horn. Péter Medgyessy is named his successor in February.

2 March Sándor Lezsák becomes MDF's new president. Having left the party, Iván Szabó and his followers announce the foundation of the Hungarian Democratic People's Party two days later.

29 March Having signed an agreement in Paris, Hungary becomes the 27th member of OECD, an organization agglomerating countries with highly developed market economies.

16 Apr. To commemorate the 1100th anniversary of the Hungarian Conquest, Parliament declares

19 Aug. a day of memorial and a holiday.

9 May The Hungarian Academy of Sciences elects historian Ferenc Glatz its president.

13 June The government decides to build a new National Theater, at Erzsébet tér.

17 June Among a series of the Nation's 1100th celebrations, Budapest is host to the Hungarian scientists' convention.

11 Aug. Former U.S. president Jimmy Carter visits Hungary, and participates in the campaign of a Christian building organization called Habitat for Humanity International in the city of Vác.

6 Sept. Pope John Paul II comes to Hungary, and holds mass before one hundred thousand faithful at the industrial site in Győr.

16 Sept. Hungarian Prime Minister Gyula Horn and his Romanian counterpart Nicolae Vacaroiu sign a Framework Agreement between the two countries.

4 Oct. The government recalls the 11-member board of directors of ÁPV Rt., Hungary's privatization and holding company, with immediate effect because the institution concluded a

legally incorrect contract with lawyer Márta Tocsik regarding an unjustifiably high success fee. Even though the Minister of Industry and Privatization is not considered liable in the so-called Tocsik Case according to the government, Gyula Horn nevertheless initiates the dismissal of Tamás Suchman a few days later.

29 Nov. The police department's supreme heads are relieved of their positions.

1997

16-17 Jan. French President Jacques Chirac arrives in Budapest upon the invitation of Árpád Göncz.

5 Feb. The Russian Duma passes – in reviewed form – an act on works of art pillaged and taken to the Soviet Union during World War II, which nevertheless declares such foreign – among them Hungarian – artworks Russian property.

25-27 Feb. Roman Herzog and his wife arrive in Budapest at the invitation of the Hungarian Head of State.

28 Feb. Due to rumors spreading on the alleged bankruptcy of Postabank, account holders withdraw HUF 10 billion during the day, which rises to HUF 24-25 billion by early March.

11 Apr. The corner-stone of Ferihegy airport's 2/B terminal is laid.

14 Apr. Iván Pető resigns from his posts as president of SZDSZ and head of the party's parliamentary faction.

30 May Of the 73 works submitted in a tender for the construction of the new National Theater, the application of Kossuth and Ybl-Prize laureate architect Ferenc Bán is recommended for construction by the jury.

20 June Prime Minister Gyula Horn and Angelo Sodano sign an agreement in the Vatican between Hungary and the Papal State on the financing of the public service and spiritual activities of the Catholic Church in Hungary.

8-9 July At the NATO Summit in Madrid, it is announced that Hungary, the Czech Republic and Poland will be invited to the accession negotiations.

1 Sept. The International Tribunal in the Hague makes its decision on the Gabčíkovo-Nagymaros Weir Dam, according to which Hungary had no right to withdraw from the agreement in 1989 and that Slovakia had also violated the agreement by going ahead and building the so-called C Variant.

16 Nov. In a decisive census with a turnout of 49.24%, 85.33% of the country's voters were in favor of Hungary's joining NATO.

1998

11 Feb. Media tycoon János Fenyő is assassinated in his car on the street.

31 March Accession negotiations begin between Hungary and the European Union.

10 May The first round of the parliamentary elections. In the second round, held on 24 May, Fidesz–Magyar Polgári Párt prevails with 38.34% (148 seats) and MSZP is in second place with 34.72% (134 seats). Further ranking: FKGP 12.44% (48 seats), SZDSZ 6.22% (24 seats), MDF 4.4% (17 seats), and MIÉP 3.63% (14 seats).

20 June Gábor Kuncze resigns on the eve of the parliamentary elections. Bálint Magyar is elected his successor to the SZDSZ party presidency.

2 July Unknown perpetrators blow up businessman József Károly Boross in Aranykéz utca. He allegedly collaborated with key figures of the underworld – according to the press.

8 July At age 35, the youngest Prime Minister in Hungary's history, Viktor Orbán introduces a new, 17-member coalition government (Fidesz, FKGP and MDF).

25 Aug. Viktor Orbán announces at the national convention of Fidesz that intelligence was being collected during the previous government on the heads and family members of Fidesz, using public funds and illegal, covert means.

5 Sept. Gyula Horn resigns from MSZP presidency. His successor and new parliamentary faction

leader is László Kovács.

29 Oct. The government decides to stop construction on the new National Theater in Erzsébet tér.

4 Nov. The century's highest floods on the River Tisza reach Hungary.

23 Nov. The expiration of the terms of the last three founding judges heralds the end of the Constitutional Court's inaugural period. János Németh is elected to succeed László Sólyom.

1999

28 Jan. Negotiations commenced in Budapest between Hungary and Slovakia regarding the interpretation of the decision made in the Hague on the Gabčíkovo-Nagymaros Weir Dam.

1 March Ministerial Commissioner György Schwajda announces that the 'Office for the Implementation of the New National Theater' – headed by the Theater's chief architect, Mária Siklós – has commenced operations.

6 March-2 Apr. A wave of floods breaking centuries-old records passes through rivers in the East of Hungary, so the Prime Minister orders emergency flood prevention measures to be taken.

12 March Along with the Czech Republic and Poland, Hungary becomes an official member of NATO.

24 March Parliament consents to aircraft carrying out NATO strikes to resolve the Kosovo crisis using Hungary's air fields.

22-27 Apr. Viktor Orbán participates in the NATO Summit held in Washington. The session decides to intensify air strikes against Yugoslavia.

6-11 June Official visit made by Árpád Göncz to the United States. This is the first time a Hungarian Head of State officially visits the United States.

14 July The first example of the Millennium Flag is presented.

17 Aug. Pursuant to a government decision, the New National Theater is slated to be built on the discontinued EXPO site in Ferencváros.

10-11 Nov. Official visit by NATO secretary-general George Robertson.

21 Dec. Parliament passes an act on the Commemoration of the Foundation of the State by Saint Stephen and on the Holy Crown, according to which the Holy Crown is to be relocated to the Houses of Parliament.

2000

2 Jan. A cyanide spill – originating three days before in Romania where the pollutant contaminated the River Some having spilled from the Aurul mining company's settling basins in Baia Mare – reaches the River Tisza.

17 March Heads of government of the countries neighboring Yugoslavia meet in Budapest.

8 Apr. The Prime Minister declares an emergency due to the highest floods of all time on the River Tisza.

26 May The World Federation of Hungarians elects Miklós Patrubby its president.

6 June After two unsuccessful rounds, Parliament elects Ferenc Mádl President of the Republic by 243 votes for, 96 against and 12 invalid votes.

22 June Centuries-old heat records broken in the Country: 36.3 degrees Celsius in Budapest and 35 degrees in Szeged.

22 Sept. Pope John Paul II receives President of the Republic Ferenc Mádl and Prime Minister Viktor Orbán for a private audience in the Vatican to commemorate the 2000th anniversary of the Church and the 1000th anniversary of the Hungarian Nation.

5 Oct. Prime Minister Viktor Orbán and Foreign Minister János Martonyi visit France, presiding over the EU at the time, and negotiate with Chief of State Jacques Chirac and Prime Minister Lionel Jospin.

17 Oct. Celebration held on the commencement of reconstruction on the Mária Valéria Bridge linking Esztergom with Párkány.

25 Nov. László Kovács is reelected party president during the Hungarian Socialist Party Convention.

7–11 Dec. Prime Minister Viktor Orbán participates in the European Union Summit in Nice and takes the floor on the first day. Conscious of being recorded during the following press conference, he deems the idea of taking an initial massive EU expansion off the agenda ‘encouraging’.

Hungary’s Weather and Air Quality

Since measuring instruments were invented several centuries ago, the most common meteorological data (temperature, barometric pressure and wind) from that time forward can be considered facts. Reliable data have been available on locations in Europe’s and on many in Hungary’s for more than 200 and 100 years, respectively. With this data in hand, it is also possible to describe trends in Hungary’s weather for 1996, which recently added to the multitude of existing facts, but at the same time also demonstrates what kind of extremes a so-called “continental” climate is capable of producing. Such extremes are also facts. In the past one or two decades, we have been inclined to explain that such extremes are the result of irreversible changes taking place in the climate – as a consequence of human activity – and have treated such changes as facts.

The truth, however, is that weather extremes, in themselves, still fail to prove that our climate is undergoing irreversible changes, as there have been cases in which unseasonable weather has occurred in our country, as is evidenced in earlier records. Some out-of-the-ordinary cases of unseasonable weather in our century are described in the following section, and the chapter after that is devoted to the description of trends in Hungary’s weather in the year 1996, during which extremes were just as well the case as in earlier years.

One fact, however, should be kept in mind. Human activity (industry, traffic, etc.) undoubtedly impacts (detrimentally) on a fundamental component of weather – air quality. Air pollution is unfortunately also a fact! Air quality testing and the measurement and monitoring of background atmospheric pollution are important scientific tasks. The third section of the text briefly deals with the work conducted in this field in Hungary and the results achieved in 1996.

Background Pollution Values

The activities of the National Meteorological Service (NMS), related to the observation of atmospheric background pollution, go back more than two decades. The sampling of atmospheric trace gases, aerosols and precipitation was begun in the early 1970s at the monitoring station in Kpuszta. The measurement program was considerably expanded in the spring of 1996, as monitoring activities were launched at three additional measuring sites in addition to the existing background station, thanks to subsidies granted by the Ministry of Environmental Protection and Regional Development. They are at Farkasfa, Nyírfés and Hortobágy. The current measurement program is as follows:

Kpuszta: gases: SO₂, NO₂, O₃, CO₂, NH₃ and HNO vapors;

Aerosols: sulfate, nitrate, ammonium, sodium, potassium and calcium;

Rainwater: pH, conductivity, sulfate, nitrate, ammonium, chloride, sodium, potassium and calcium.

Hungary meets the data supply requirements set by the UN ECE European Monitoring and Evaluation Program (EMEP) and the World Meteorological Organization’s Global Atmosphere Watch on the basis of the data collected in Kpuszta.

Farkasfa: gases: SO₂, NO₂, O₃ and HNO₃ vapors;

Aerosols: sulfate, nitrate, ammonium, sodium, potassium and calcium;

Rainwater: pH, conductivity, sulfate, nitrate, ammonium, chloride, sodium, potassium and calcium.

Nyírfés: gases: SO₂, NO₂ and O₃;

Aerosols: sulfate, nitrate, ammonium, sodium, potassium and calcium;

Rainwater: pH, conductivity, sulfate, nitrate, ammonium, chloride, sodium, potassium and calcium.

Hortobágy: gases: SO₂, NO₂ and O₃; Rainwater: pH, conductivity, sulfate, nitrate, ammonium, chloride, sodium, potassium and calcium.

In addition to the above, the principal meteorological parameters such as temperature, wind direction, wind speed and relative humidity are also monitored at each station. Backward trajectory calculations (i.e., collected at receptor points), relative to the 850 hPa reference, are also performed at the station in K-pusztas as a means of long-distance atmospheric propagation analysis.

Within the precipitation chemistry network of NMS, pluviometric samples are collected at monthly intervals at five additional locations (Keszthely, Pécs, Siófok, Szarvas and Szeged) using automatic sampling apparatus.

The samples collected at the stations are analyzed by the NMS central laboratory at Gilice tér. After being checked and analyzed as required, the data is archived and/or forwarded to the users.

Atmospheric Gases

Tropospheric Ozone

Measurements were commenced early this year at Nyírfés, in April at Hortobágy, in June at Farkasfa, while at K-pusztas, they were begun in 1990. The annual ozone variation, with a summer maximum and a winter minimum, is shown by the figure. According to the results of the trend analysis performed on the data, the concentration of ground ozone exhibits a slightly declining trend, on average, per annum.

Figure 3 shows the annual figures for each station, which were calculated on the basis of monthly averages. It can be seen in the table that the monthly averages of ozone concentration were quite similar in K-pusztas and Hortobágy. Slightly higher values were measured in Farkasfa than at the other stations, which correlates with the fact that the highest tropospheric ozone concentration in Europe – under background conditions – was measured at a nearby monitoring station in Austria (Illmitz). The amplitude of the Nyírfés plot was lower than those of the other three stations. The summer maximum in Nyírfés was somewhat lower, while the winter minimum was higher than at the other stations.

Exceeded limits for daily averages and 30minute averages were also examined at all four stations. The limits were 50 ppb and 75 ppb for daily and half-hour averages, respectively. The daily averages exceeded the 50 ppb limit most often in Farkasfa (in 26% of the cases, on 54 days). For the other three stations, this proportion is a much lower 6-8%. According to the analysis performed on the basis of 30-minute averages, the ozone concentration exceeded the 75 ppb limit quite often in the summer months, though there were days in the winter months, too, when limits were exceeded. It is interesting that the

30minute average concentration exceeded the

75 ppb limit in 33 instances in K-pusztas in February 1996. The number of times the 100 ppb limit was exceeded by the 30-minute averages was also examined. No values exceeding

100 ppb were recorded in Hortobágy. Such was the case in Farkasfa and K-pusztas. Thirty-minute concentration values exceeding 100 ppb were recorded on sixteen occasions in K-pusztas in June, while in Farkasfa, 30-minute values over 100 ppb occurred even in June, July and August. Such high concentrations were measured in 78 instances in June, seven instances in July, and on one occasion in August.

Sulfur Dioxide and Nitrogen Dioxide

Lower values were measured in the summer months, when emissions are also lower and the meteorological conditions for pollutant dilution are also more favorable. Long-term variability is seen in figure 6. It is noticeable that background concentration values exhibited a decrease parallel with a decrease in domestic sulfur dioxide emissions. It should be noted, however, that, as the

atmospheric mean residual time of sulfur dioxide is just a few days, the domestic measurements reflect not only the effect of domestic sources but also that of those outside our borders. No significant trend was discernible for nitrogen dioxide. This is explained by the fact that the mostly traffic-related – nitrogen dioxide emissions have not varied substantially throughout the period investigated.

Aerosols

On account of their aerodynamic properties, fine aerosol particulates (e.g., sulfate, nitrate and ammonium) are capable of traveling great distances from their primary sources with the aid of atmospheric transport. This means that domestic sources are not solely accountable for their concentration, as measured at a given background station. Such components are created from gaseous primary pollutants (such as sulfur dioxide, nitrogen dioxide and ammonia) in the course of chemical transformation within the atmosphere. The aerosol particles affect the atmosphere's optical qualities, and through dry and wet settings – also influence the acidic load on the earth's crust and biosphere.

The highest monthly average sulfate concentration during the year was measured in December in K-pusztá, while the lowest values were observed in May at each station. The nitrate concentration follows a regular annual trend, being low in the summer months, albeit relatively high in the winter. The highest atmospheric ammonium concentration was recorded in November and December.

Examining the long-term variability of above mentioned components, it can be said that annual averages were higher in the late 1970s and the early 1980s than today. In the case of sulfate, unusually high values were recorded in 1993.

Precipitation

Atmospheric precipitation plays a fundamental role in depositing natural and man-made pollutants on the surface of the earth (soil, water, ice and the biosphere). Nitrogen compounds dissolved in rainwater also represent a key nitrogen source for vegetation. Of course, detrimental effects can also arise, i.e., the acidic components dissolved in rainwater damage not only vegetation, but also the architecture around us. The annual wet settling (by precipitation) of sulphur and nitrogen compounds was determined on the basis of the measurements made in K-pusztá. The rate was 0.66 grams of sulphur/m²/annum, and 0.70 grams of nitrogen/m²/annum. This means that Hungary is a moderately polluted region in Europe.

Hungary's Weather in 1996

In contrast with the mild and snowless winters of earlier years, the months of January and February were unexpectedly cold in 1996. Considering the national average, the mean temperature in January was -2.5°C, which is 0.5°C below the 1961-1990 average. Snow falling in December of the previous year melted due to the mild weather and rains which followed 7 January. After 20 January, the mild weather was followed by especially cold temperatures, with minus 15 degrees frosts late in the month. In the last third of January, even daytime highs remained below -5°C on several occasions.

Considerable quantities of precipitation fell mainly in the second half of the month, which, on the national average, amounted to 50.9 mm. This corresponds to 1.5 times the climatic value. Snow cover in the western and eastern parts of the country reached 25-40 and 15-25 cm, respectively. Freezing rain also fell in many parts of the country late in the month.

February proved even colder than January. A mean temperature of -3.2°C was recorded, which is 3.7°C colder than usual! Days with the lowest mean temperatures occurred early in the month. The rains following mid-February brought milder weather, with air temperatures reaching around +5°C

in the daytime, though frosts still prevailed by night. Snow cover receded due to the mild weather, however, the icy crust in many places lasted until the end of the month.

With its 30-mm national average, February's precipitation varied in accordance with the usual pattern. The depth of the snow cover in Transdanubia reached 20 to 60 cm, while on the plains, snow 15 cm deep was not uncommon. There was an unusually high number of days with snowfall in February, approximately 26, which is nearly three times the climatological average.

March brought extreme cold weather with little precipitation. The mean temperature was 1.6°C, which is 3.4°C cooler than average. There were just four instances in this century of the mean temperature in March remaining below 1.6°C. On 5 March, the temperature dropped to -20.0°C in Kompolt, which is unprecedented in this century for that time of year in March 1996, soil temperatures dropped below freezing almost every day. There was only 14.1 mm precipitation in March, which is barely more than one-third of the usual monthly quantity. Winter held its grip till mid-March, and half of the country was covered in snow for 10-14 days. The deepest snow cover of the year was recorded on 5 March in Kékestető, having been 91 cm deep.

Considering the winter as a whole, the land was covered in snow for an extended period, for 70-75 days nation-wide, on average. Only three winters in the latter half of the 20th century abounded in more snow than the winter of 1995/1996. Ground frost also penetrated deeper, reaching depths of 20-25 cm in February in areas lacking snow cover.

In the first days of April, 9 to 18 cm of snow fell in the western extremities, while in the more southerly parts of the country snowfall was 1 to 5 cm thick, reaching 10 to 13 cm in places. This cold spell was also accompanied by frosts, though, by daytime, temperatures rose to around 2 to 7 degrees. Stormy winds brought rapid relief after 20 April. Night-time frosts subsided, with daytime temperatures rising above 20 degrees. On the whole, the mean temperature in April was 11.1°C, which is approximately 0.7°C higher than the historical average.

The average precipitation for April amounted to 52 mm nation-wide, which exceeds the historical average by 13%. In addition to unseasonably late snows, April was also characterised by a high regional variation in precipitation. Showers occurred late in the month – and surprisingly early during the day – and thunderstorms and even hailstorms were observed.

May of 1996 proved 2.2 degrees warmer than the 15.3-degrees climatological average. Even though cold weather occurred several times, temperatures did not drop below +2.2°C. The chills only made their effect felt for one or two days, and the highs returned quickly to 20-25°C. The warmest days were between 15 and 19 max, when temperatures rose to over 30 degrees in many places in the daytime, with temperatures as high as 34.5°C recorded from Kistelek.

The monthly precipitation amounted to 84 mm, which is 133% of the average. An unusually large quantity of rain – almost four times the usual in May – fell on the eastern part of the Minor Plain. The month of May was abundant in sunshine as well, in spite of all the rain.

At 20.0°C, the mean temperature was 1.6°C higher in June than the climatological average. Mainly the first half of the month was warm, with daytime peaks usually approaching or exceeding 30 degrees, while in the second half of the month, temperatures varied from 20 to 25 degrees. The highest temperature of the month, and of the entire year, at 35.8 degrees, was recorded in the morning hours in Paks on 16 June.

There was virtually no rain in the first half of July, and essentially the second half of the month produced the majority of the monthly 47 mm of precipitation, which is only 60%, of the average. The tornado of 21 June stands out from the month's meteorological events. Tornado funnels touched down several times from the same gigantic thundercloud over Zala county and the northern part of Somogy county between 5:15 PM and 5:45 PM and the region between the rivers Danube and Tisza between 8:30 PM and 9:00 PM.

Since 1983, droughts had plagued the country nearly every year, however, 1996 ended the long succession, with excess water being the problem that year. There were several major downpours in July, accompanied by hail and gales. After the hot Julys of the 1990's last year's fell 1.1 degrees short of the average with its 19.2 degrees mean temperature, moreover, it proved cooler than both

June and August. On the average, however, there were five dog-days (during which the highest temperature was 30 degrees), nation-wide, and the daytime highs varied mostly around 20 degrees. The highest the mercury rose was 36.8 degrees, in the town of Makó. Between 20 and 25 July, the temperature at dawn in Budapest dropped to around +7 degrees, which had no precedent since 1881. On 20 June, ground frost nearly occurred in the Town of Baja.

In terms of temperature, August was not unusual, as its 20.1 degrees mean temperature was only 0.5°C higher than usual. The lowest temperatures in that month also remained near average. August was characterised by copious quantities of rain, – 134% of the historical average – i.e., 84.4 mm on average fell nation-wide. The year's greatest rainfall per day occurred in Polgár on 30 August (103.6 mm) which would normally only fall in a two-month period.

On the whole, the summer's mean temperature was near-average, though, in comparison with the hot and drought-stricken summers of the 1990's, it was generally found cold and rainy.

It became very cold in September 1996, with the monthly mean temperature reaching just 12.7 degrees, i.e., 2.9 degrees lower than average. One hundred and sixteen years in retrospect, only September 1912 was colder. The daytime highs throughout the month usually remained below 20 degrees, and quite often below 15 degrees. Ground frost as low as -1.4°C were recorded in Zalaegerszeg and Baja.

September is noted as the year's wettest month. On average, the precipitation nation-wide amounted to 125.3 mm, which is equal to a rate of 277%. Compared to the average, the heaviest precipitation – five times the usual quantity – fell in Nyíregyháza. September's heavy precipitation broke the 118.8 mm record of September 1906, which has been unchallenged since 1881. There were 17 days with rainfall in September, which is almost twice the average. Examining the sequences of the individual stations, September steals the spotlight in several respects. For example, in Nyíregyháza, this year's 190 mm of precipitation by far exceeds the all-time record of 145 mm, measured in 1919! Nearly six months worth of precipitation fell in Hungary during the period of July to late September.

September 1996 was short on sunshine, with the sky having been cloudy most of the time. The monthly total of sunshine hours (94.9 hours) barely reached ever 50% of the climatic value.

As customary for the last few years, October brought delightfully mild weather. The mean temperature was 11.1°C, which is 0.9 degrees higher than the climatic average for October. Up to 20 October, daytime highs varied between 15 and 20 degrees, then suddenly dropped to between 10 and 15 degrees, and remained so until the end of the month. Lows ranged from +2 to +12 degrees with a varied spatial distribution. Autumn frosts arrived after the 25th, a good ten days later than usual.

October's precipitation rate was 90%, which corresponds to a water input of 35 mm. Considering September's abundance of rain, the low precipitation of October, however, qualifies as quite favourable.

November proved fairly mild, as its 7.5°C mean temperature was 3.1 degrees higher than what had been usual throughout the last thirty years. The mild, and occasionally warm, weather lasted until 20 November. Highs regularly exceeded 15 degrees, even 20 degrees on occasion. Nights were frost-free and there were even cases in which temperatures remained above 10 degrees, even at night. On 13 November, the temperature in Budapest was 19.1 degrees, which is unprecedented in this century. There was barely a drop of rain in this warm period. After 20 November, however, temperatures began to fall suddenly and drastically, and wintry weather set in. Rain and sleet fell on several occasions, and snow cover even accumulated, which remained for a few days.

November's precipitation amounted to 30 mm, which is only slightly higher than one-half of the climatological average.

No unusual meteorological events occurred in the first half of December, with the weather being near average. Late December, however, brought excessively cold and snowy weather that was 8 degrees lower than the average. On 22 December, snow began to fall nation-wide, with 5 to 25 cm of snow covering the country by Christmas. After Christmas, extreme cold set in on several clear

night, with lows usually ranging below -10 degrees throughout the country. The annual low-temperature record of -27.7°C was recorded by the automatic station in Szécsény, which approached the minimum for December (-28 degrees), measured over a period of 116 years. December's mean temperature of -1.8 degrees fell short of the historical average by 1.7 degrees. On average, 56.9 mm of precipitation fell in December throughout the country, which constitutes 123% of the average.

The year 1996, with its mean temperature of 9.5 degrees, proved 0.3 degrees cooler than the historical average. The prevailing number of the 1943-hour annual average. Considering ten hours of sunshine per each sunny day, this shortfall corresponds to nearly fifteen days of sunshine missed, for which the month of September is mainly responsible. Commuters welcomed the low number of foggy days, 24 in all (43 per cent of the average). The low number of foggy days is mainly a result of the low frequency of such days measured for the period between September and December. On average, 668.2 mm of precipitation fell throughout the country, which is nearly 20% higher than usual. On the whole, last year was abundant in extremes: storms, hail, and even tornadoes. During the course of the year, centuries-old temperature records were broken in March, July and November, and even the precipitation record was broken in September.

Unseasonable Weather in Hungary

In the middle of the last century, meteorological observations were being made in Hungary at many locations – mostly sporadically. After the foundation of the Royal Hungarian National Meteorological and Geomagnetism Institute (after 1870), the meteorological station network was established, and the first measurements were commenced. This facilitated the analysis of the body of temperature and pluviometric data collected since 1881, and the selection of climatic extremes and unusual phenomena from that data. However, it is not only the body of meteorological data which speaks about unusual meteorological events, but old newspapers, archive materials and chronicles do as well. These have been included in the text.

Weather Records in Hungary

Lowest night-time temperature: -35°C (16 February 1940, Gömolytapolca)

Highest daytime temperature: 41.3°C (5 July 1950, Pécs)

Highest absolute annual temperature variation: 73.8°C (Baja)

Highest daytime low: 27.1 °C (20 July 1946, Szeged)

Longest period without sunshine: 35 days (31 October to 4 December 1978, Szeged)

Greatest abrupt temperature rise over a space of 18 hours: 26.7°C (3 February 1963, Békéscsaba)

Lowest daytime maximum: -20°C (10 February, 1929, Nyíregyháza).

The mildest winter was that of 1950/51 (the mean temperature of the winter months varied around +3.1 degrees). The coldest one was that of 1891/92, during which the mean temperature of the winter months varied around -5.1 degrees.

The warmest spring was in 1934, with the average temperature of the spring months varying around 13 degrees, while the coldest one (with a temperature of 8.2 degrees) was in 1987.

The summer of 1946 was the hottest, during which the mean temperature of the summer months was 22.5 degrees, while the coolest summer (with a mean temperature of 18.2 degrees) was that of 1978.

The warmest and most balmy autumn was recorded in 1926, during which the autumn mean temperature varied around 13.2 degrees, while the coldest autumn was in 1912 (the mean temperature in the three autumn months was just 7.4 degrees).

The winter with the highest precipitation was that of 1946/47, and the winter precipitation, on the basis of the measurements of fifteen meteorological stations, varied around 141 mm, while the driest winter proved to be that of 1847, during which the land received only some 17 mm of precipitation over a period of three months.

The wettest summer (during which 304 mm of rain fell on average throughout the country during the entire summer) was recorded in 1882, while the summer of 1947 proved to be the driest one (with around 81 mm of precipitation). Unpredictable weather is a characteristic feature of the Carpathian Basin's climate. The temporal variation of precipitation is quite irregular, with dry and droughty periods occurring frequently, though considerably rainy years or periods are not uncommon either. It is the weather of primarily the winter months which is variable, temperatures are unpredictable, and relatively mild and inclement periods alternate frequently with one another.

Heavy Rains, Snowfall and Showers

The greatest annual rainfall was 1510 mm (1937, Kőszeg) .

Greatest monthly rainfall: 444 mm (June 1958, Dobogókő)

Greatest daily rainfall: 260 mm (9 June 1953, Dad)

Greatest precipitation over the space of 10 minutes: 64.2 mm (24 May 1916, Zirc)

Greatest precipitation output over the space of 60 minutes: 120 mm (23 August 1988, Heves).

Precipitation lasting no more than four hours and exceeding intensities of 25 l/ha is considered a shower. Heavy showers are most frequent in June, July and August, though they occur often even in May and September.

Throughout the last century, it is probable that the highest quantity of precipitation fell on 8 September 1963 in Budapest and its environs. One and a half months' worth of rain fell in Budapest on that day. Rainfall measured at eight points on the Pest side exceeded even 100 mm, and the highest rainfall was recorded in Soroksár (142 mm). Moreover, of the communities situated east and south-west of the capital, 203 mm of precipitation was recorded in Gyömrő, 162 in Isaszeg, 137 in Maglód, and 132 mm in Vecsés on that day. The streams Rákospatak and Szilas-patak flooded due to the heavy rains. Hundreds of residential buildings were inundated on that day, just as they would have been during springtime floods. Several bridges were damaged. The stream Tápió-patak also burst its banks. However, it was not only Budapest which received heavy precipitation, but the severest cloud-burst in Transdanubia was recorded from the town of Mende, producing 172 mm of rain.

From the Chronicles

Nagyszeben, 8 June 1608. The rainstorm, thunder, hail and lightning over the town of Nagyszeben was so horrible, that it ruined the roofs of many houses, levelled a mill, destroyed the vineyards, orchards and all crops, even killing the birds in the fields. The hail was up to one's knees, and the rainstorm was so severe that people believed judgement day had come.

Esztergom, 6 June 1595. Lightning struck Esztergom, killing 150 Turks. This ' was exaggerated considerably by the chronicler, though on 16 July 1967 a similar event took place in Budapest at the Fehérvári út sports arena.

On the 16th of July 1967 the capital experienced an immense downpour and severe weather. As a result of the pouring rain, railway tracks were clogged by silt, thus causing several tram and bus services to suspend operation for the day. The greatest precipitation quantities falling over a short period of time: Budakeszi út, 97 mm; Diana utca, 110 mm; Szabadság-hegy, 83 mm. Lightning struck the Fehérvári út sports arena that day. A player died on the spot, the goalkeeper was severely injured, and several football players and the referee were taken to hospital by ambulance.

On the 6th of June 1992 rainfall on that day came to 106 mm at Rákosszabadság and around 80 mm in Kispest and Csepel. The greatest rainfall in Budapest (989 mm) was recorded in 1937 and the least in 1857, having been 326 mm.

Hail

Hail fell continuously for sixty minutes in Egerbakta on 8 June 1964.

Heavy Snows

From the chronicles:

December 1601. The snow was so deep that it was up to one's chest, and it was impossible to walk on land. It was easier to get around on the Danube's ice.

Sopron, 1708. An unusually high quantity of snow fell on 20 December; it was possible to step out into the street through the window, and one could easily step onto the city's walls.

The greatest precipitation was recorded in the winter of 1947. In that year, the abundance of winter precipitation was also manifest in enduring and intensive snowfall and a substantial snow cover. In January 1947, snowfall was frequent and intense throughout the month, February experienced heavy snows, and snow fell even in early March. As a result of the snows, a considerable – usually 20 to 30 cm thick – layer of snow shrouded the country in late January. The already significant snow cover was added to considerably in February, reaching 40-60 cm in Transdanubia. The blanket of snow remained until around 20 March that year. That winter was not only notorious for its precipitation and heavy snows; it was also unseasonably cold. This resulted in the Danube completely freezing over for 30 days (until 11 March), with the ice sheet having been so thick at Budapest that, in February, people would cross from Pest to Buda on foot.

Recent years also experienced incredibly heavy snows, when life stopped for a few days in a large part of the country (including Budapest), traffic was paralysed, and certain communities were isolated for days. For example, in 1987, it began to snow on 11 January, continuing up to the 15th or 16th. As a result of the intense snowfall, a blanket of snow of considerable depth accumulated throughout the country (some meteorological stations reported snow as deep as 50-70 cm). The snows were accompanied by strong gusts of wind, creating snow-drifts reaching depths of approximately one and a half meters in places. It was also bitterly cold at the time; for example, on 13 January, night-time air temperatures dropped to as low as -23 to -28 degrees in many places. As a result of the cold weather, the deep snow remained not only through January, but as late as 11 February.

It began to snow on 12 November 1993, blanketing a substantial part of the country in as much as 20-30 cm of snow in just a few days. Snow flurries were reported for eight days, and the land was covered in a contiguous blanket of snow for twelve days. The second wave of snow arrived between 20 and 22 November, causing the existing blanket in Transdanubia to grow to as deep as 50-60 cm in places by late November. It also snowed for 4 to 7 days in December 1993 primarily in the western part of the country though the contiguous snow cover still lasted for a further 12 to 21 days.

Deepest snow cover ever recorded:

Deepest measured snow cover: 151 cm in Kőszeg on 19 February 1947. In February of that year, the number of days with substantial snow cover reached 28 (fifteen snow days were recorded in March).

Deepest snow cover occurring in the period from 1931 to 1960: the depth of the snow in Nagykanizsa reached as much as 122 cm in February, while the maximum depth in Sárbogárd reached 100 cm also in February. A snow blanket 82 cm deep was recorded from the vicinity of Bakonybél in February.

Floods

The most severe, destructive and memorable flooding took place on 13 March 1970, in the watershed area of the River Tisza.

In May 1989, two severe flood waves – so called spring-floods – headed down the Tisza in quick succession, flooding the river's watershed area. The fact that the north-eastern part of the Carpathian Basin experienced nearly three to four times the usual rainfall in late April played a major role in the development of the first flood wave.

Later, in early May, heavy rains would fall in the region, leading to a second wave of flooding.

In December 1993, there was more precipitation than average, but at the same time, the weather was mild. Snow cover melted by mid-December, with the resulting runoff and the subsequent heavy

rains setting off the century's third highest flood wave on the Felső-Tisza.

By late December 1996, severe floods occurred on the tributaries of the Tisza, mainly on the Felső-Tisza and the Kiskőrös. Again, the flood wave was caused by intense rains falling for several days in addition to the excessive runoff. Flood prevention measures, taken over a period of more than ten days, cost one billion forints (Hungary's susceptibility to floods in Europe can only be likened to the Netherlands', as 23% of Hungary's territory lies in regions capable of being flooded).

Wind and Tornadoes

The highest estimated wind gust was in the range of 87-103 m/s (13 June 1924, tornado in Bia-Vác). Highest recorded wind gusts: 44.5 m/s (3 August 1988, Szarvas); 44.2 m/s (12 June 1993, Szeged); 40 m/s (17 March 1994, Miskolc).

On 28 May 1993, a tornado touched down in the vicinity of Martonvásár-Ercsi, where the estimated wind speed may have reached 35-40 m/s.

The storm which occurred at 7:22 PM on 12 June 1993 in the town of Szeged had great repercussions. According to some estimates, the damage caused by the storm exceeded HUF 160 million. The city centre, Széchenyi tér, was worst hit. A total of 3-5 thousand trees were uprooted by the storm and branches had been broken off some 25-30 thousand. Considerable destruction was recorded from the region's agricultural areas as well, having been caused by the sudden gusts of wind, whose speed by 7:24 PM reached 44.3 m/s (160 km/h). This gale-force storm even exceeded the highest mark (Force-12) on the Beaufort Scale. Records show that walnut-sized hail fell for ten minutes. A storm with an intensity similar to the one in Szeged raged in Szarvas on 3 August 1988, during which 44.5 m/s wind gusts were recorded.

Tornadoes are air eddies with negligible horizontal dimensions, revolving at an extremely high speed, and born in storm clouds. They move at rates of 7-30 m/s, their updraft reach speeds of 20-80 m/s, their lifetimes range from a few minutes to maximum one hour, and they wreak havoc over distances of tens but, at the most, one hundred kilometres. Wind speeds in the center of the vortex can reach as much as 100-150 m/s, i.e., 360-540 km/h. On average, two or three whirlwinds occur in Hungary each decade. The presence of warm and moist air masses is required for the formation of tornadoes: extreme instability and associated intense rainstorm activity, marked horizontal temperature and humidity stratification, and high upper-level winds. Tornadoes occur most frequently in the United States, Australia, the western part of Europe, the Apennines, the Carpathian Basin, and the Russian plains, but they have wreaked havoc in Japan, India, China, and southern Africa as well. The meteorological records in Hungary have noted 18 tornadoes so far. The latest one occurred on 21 June 1996.

Late in the afternoon on 21 June 1996, several tornadoes were born in the same gigantic thundercloud as it passed over the northern part of Somogy county, Zala county (between 5:15 PM and 6:45 PM), and the region between the Rivers Danube and Tisza late at night (between 8:00 PM and 9:00 PM at Izsák-Kiskőrös-Akasztó). The (most powerful and destructive) Somogy county tornado lasted 14 to 20 minutes, its maximum wind gusts were estimated at 50-70 m/s, the estimated width of its path was 100-150 m, and the length of its course was 15-20 km (in a south-easterly direction).

Years of Drought

Agricultural losses were aggravated due to droughts world-wide, and Hungary was no exception. In comparison with the previous period, the absolute value of the damage, incurred as a consequence of droughts, increased in the last decade, even if the percentage of crop losses may have decreased.

From the Chronicles

Hungary, 1494: The summer was so dry and fervent, that no rain fell for six months, and even the major rivers practically dried out.

The summer of 1794, Kiskunhalas: The heat wave scorching the land was so severe that loaves of bread had to be distributed to the people in the spring of 1795.

Füzesgyarmat, Szeghalom, 1794: Severe droughts began in 1790, especially in the years 1794 and 1795.

As a meteorological phenomenon, drought could entail significant socio-economic consequences, whose indirect impact (affecting several years) can be greater than its direct impact, i.e., the losses of a specific economic year.

The proper quantification of droughts is of prime importance from both natural and-socio-economic standpoints. The simplest and most prevalent solution is the characterisation of the absence of precipitation. According to the guidelines of the WMO (World Meteorological Organisation), below-average precipitation, affecting agriculture, hydrological resources and various socio-economic activities, can be considered a drought if the annual quantity thereof is at most 60 per cent of the normal (historical average) value on at least half of the area concerned for at least two years.

The following years were affected by severe droughts: 1931; 1935 (this year can be considered exceptional), 1946, 1987, 1990, 1991, 1992, 1993 and 1994. .

The damage caused by the drought of 1935 was estimated at 2 billion Pengős at the low agricultural prices of the period. This spurred the government to work out a comprehensive and extensive irrigation program, resulting in the enactment of the Act on Irrigation of 1937. With its administrative, developmental, and land and water management concepts, this law also proved a useful contribution to the irrigation development plans of subsequent decades.

The droughts of the period of 1982-1994 even aggravate the problems we face today.

In the period of 1983 to 1994, nation-wide droughts affected the country in the majority of the years (1983, 1984, 1986, 1990, 1991, 1992, 1993 and perhaps 1994). It is characteristic of the droughts of the last three years that these have been the severest dry periods of our century so far on the one hand, and that winter and springtime dry spells and hot summers succeeded each other in these years on the other hand. Especially the droughts of 1991/92 and 1993 qualify as unusual natural phenomena. For example, August 1992 broke records, i.e., no August as dry as that of 1992 had been recorded in the last 110 years, since the commencement of regular measurements.

Variation in Groundwater Levels

In the course of 1992 and the spring of 1993, groundwater levels dropped several meters in the region between the Rivers Danube and Tisza, more specifically in the southern part thereof, which aggravated the damage caused by the droughts. Incidentally, groundwater levels beneath most of the areas utilised by agriculture were situated at depths which directly or indirectly influenced the water supply of the topsoil layers. While most of the Great Plain's area was covered in wetlands, swamps and bogs, there was always sufficient water to create the local precipitation. River regulation and the draining of the swamps and bogs eliminated this natural water reserve, and the region had to gradually adapt to the water quantities supplied by winter and springtime rains.

In 1970, during the great flood on the River Szamos, it rained practically every day on the affected area, and precipitation was unusually abundant in comparison with other areas of the country.

Prior to the 1980s, the historical average for the groundwater level in the Great Plain was 2 to 3 meters, which can be considered favourable for the vegetation.

Moreover, a drastic depression in ground water levels began from the early 1980s in the area between the Rivers Danube and Tisza, with the groundwater reaching the lowest Level of all time between 1990 and 1993, i.e., the unusually low-lying groundwater could not moisten the topsoil, or rather it could only replenish lost water to a very limited extent.

The winter of 1995/96 and the year of 1996 abound in extremes and unusual events (e.g., the flood of December 1995; the unusually long, snowy and severe winter; the abnormally abundant rains of May; and the rainstorms, hail and tornadoes of June).

After the mild and often snowless winters of past years, the winters of 1995/96 and 1996/97 were considered quite abundant in snow, perhaps even unusual in some respects.

In 1995, winter arrived unusually early – in early November – therefore, the winter of 1995/96 was reckoned not from December but November.

The Unseasonable Snows of Early November 1995

Snowfall in early November is not uncommon in itself, as there have been cases of minor snows or sleet as early as late September in the Carpathian Basin (for example there were minor snows and sleet on 30 September 1995 near Hűvösvölgy in Budapest, but the snow melted immediately with no snow cover having been formed). It snowed on at least ten to fifteen occasions – primarily in the northern part of the country and in the higher mountains – in early November (prior to the 10th) in the last fifty years, though the fallen snow melted almost immediately in the southern part of the Great Plain. No snow cover of substantial depth or snow-drifts have ever occurred at such an early time of year.

A prerequisite for the formation of snow cover is a temperature around the freezing point, or rather below 0 degrees, Centigrade. In early November, daytime mean temperatures usually range around +6 to +8 degrees then drop rapidly in the course of the month. For example, in mid November, the mean temperature is an average +5 degrees, while it ranges around +1 or +2 degrees late in the month. Therefore, in the first half of November, in no way do temperatures favor the persistence of a snow blanket.

On average, one snow day occurred in November in the southern part of the Great Plain. Large quantities of snow – seeming unusual for mid-November at the time – began to fall on 12 November 1993, covering major parts of the country in 20 to 40 cm of snow in just a few days' time. The second wave of snows arrived between 20 and 22 November. Severe snows, accompanied by snow-drifts, occurred on 23 and 30 November 1965, 26 and 27 November 1989, and 12 and 13 November 1993 in the southern part of the Great Plain (in the area of Békéscsaba).

Unusual events in 1996

In January 1996, the large quantities of snow, frost and ice, deposited on trees, utility poles and high-voltage cables, caused considerable damage on two occasions in the area of the town of Pilis. Freezing rain fell in the area on 7 and 8 January. Moreover, it snowed on several occasions previously, then a thick crust of ice formed on various surfaces due to the freezing rain. High-voltage lines snapped, utility poles fell, and forests sustained severe damage, as well, many trees having fallen and branches broken. It travel was prohibited to in many parts of Pilis at the time. Around 25 January, the meteorological conditions also favored the depositing of frost, ice and snow in considerable quantities.

Traffic had to be stopped on the section of the M7 highway near Martonvásár in the early afternoon hours on 28 May 1996. Commuters passing by encountered a phenomenon rarely seen in Hungary. The north-north-westerly winds, accompanied by stormy gusts, picked up the sandy soil in the area. With high, 80 to 100 km/h winds carrying the sand, visibility was practically nil and progress was similar to being in thick fog. Sand invading and being deposited in the engines of vehicles may have also caused problems.

May and June 1996 was more abundant in showers, rainstorms and cloud-bursts than usual. For example, in May 1996, the large quantities of precipitation falling over a short period of time even led to natural disasters in some places, namely in Pilis and Baranya.s

On 21 June 1996, in the late hours of the afternoon, an immense storm cloud burst over the northern part of Somogy county and Zala county, with large – occasionally walnut-sized hail falling in the eye of the storm, damaging roofs and breaking windshields. A fortunately rare phenomenon in Hungary – a tornado – occurred in the region. Not even the buildings could withstand the force of this destructive whirlwind, causing damage in the magnitude of hundreds of millions in the region

of the community of Torvaj in Somogy county. At the same time, winds of only 20 to 30 km/h were recorded just a few kilometres away from the eye of the storm.

Natural Thermometers

It is possible to tell the approximate temperature from the emergence of insects and certain animals.

Around 0°C	Strange, tiny creatures such as springtails, scorpion flies, and occasionally net-winged beetle larvae can be seen on the surface of the snow
Around 4-5°C	Mosquitoes and flies emerge and grass frogs appear in woodland puddles
At 10°C	Firebugs, ladybird beetles, moths and bats emerge
Around 12-15°C	Honeybees emerge
At 15°C	Lizards climb onto sun-warmed stones, though they only regain speed over 16°C
At 18°C	Early-flying butterflies, various nymphs, the peacock, the European brimstone, the cabbage white and female bumblebees emerge, as well as ants, though their movements are still somewhat clumsy
Over 20°C	Snails and slugs emerge.

Natural Clocks

It is possible to tell the approximate time of day from the opening and closing of flowers

Dog-rose	opens between 4 and 5 AM
Black nightshade	opens between 5 and 6 AM
Cyclamen and chicory	open between 6 and 7 AM
Meadow buttercup, dandelion, prickly lettuce, and common carline-thistle	open between 7 and 8 AM
Anemone, Hepatica, Calendula and speedwell	open between 8 and 9 AM
Colchicum, yellow Adonis, pasque-flower, water lily, and wood-sorrel	open between 10 and 11 AM
Bladder campion	opens at 12 noon
Sow-thistle	closes between 1 and 1:30 PM
Prickly lettuce	closes between 1 and 2 PM
Chicory and dandelion	closes between 2 and 3 PM
Rootless duckweed	closes between 3 and 4 PM
Calendula	closes between 4 and 5 PM
Yellow Adonis, anemone, Hepatica, and Colchicum	close between 5 and 6 PM
Pasque-flower, wood-sorrel, and common carline-thistle	close between 6 and 7 PM
Water lily and meadow buttercup	close between 7 and 8 PM
Dog-rose	closes between 8 and 9 PM

It is also possible to tell the approximate time from the song of birds

4:04 AM	Redstart	5:01 AM	Thrush	5:18 AM	Wryneck
4:40 AM	Black redstart	5:09 AM	Blue titmouse	5:23 AM	Serin
4:43 AM	Cuckoo	5:11 AM	Hooded titmouse	5:24 AM	Common sparrow
4:55 AM	Warbler	5:12 AM	Common wren	5:42 AM	Tree-creeper

4:57 AM	Great titmouse	5:13 AM	Yellowhammer	5:50 AM	Greenfinch
4:59 AM	Chaffinch	5:16 AM	Whitethroat	5:54 AM	Linnet
5:00 AM	Flycatcher	5:17 AM	Wood-warbler	5:58 AM	Goldfinch

Total eclipses 1910 to 2000

Date	min:sec	Duration of solar eclipse: Area of occurrence
1 October 1940	5:35	Columbia, Brazil, Atlantic Ocean and South Africa
21 September 1941	3:21	The Soviet Union, China and the Pacific Ocean
4 February 1943	2:39	Japan, the Pacific Ocean and Alaska
25 January 1944	4:08	Peru, Brazil and West Africa
9 July 1945	1:15	USA, Canada, Greenland, Scandinavia and the Soviet Union
20 May 1947	5:13	South America, Atlantic Ocean and Africa
1 November 1948	1:55	Africa and the Indian Ocean
12 September 1950	1:13	Arctic Ocean, Siberia and the Pacific Ocean
15 February 1952	3:09	Africa, Middle East and the Soviet Union
30 June 1954	2:35	USA, Canada, Iceland, Europe and the Middle East
20 June 1955	7:07	South-East Asia, the Philippines and the Pacific Ocean
8 June 1956	4:44	South Pacific
12 October 1958	5:10	Pacific Ocean, Chile and Argentina
2 October 1959	3:01	Atlantic Ocean and Africa

Date	min:sec	Duration of solar eclipse: Area of occurrence
15 February 1961	2:45	Europe and the Soviet Union
5 February 1962	4:08	Borneo, New Guinea and the Pacific Ocean
20 July 1963	1:39	Pacific Ocean, Alaska and Canada
20 May 1965	5:15	New Zealand and the Pacific Ocean
12 November 1966	1:57	Pacific Ocean, South America and the Atlantic Ocean
22 September 1968	0:39	The Soviet Union and China
7 March 1970	3:27	Mexico, USA and Canada
10 July 1972	2:35	Siberia, Alaska and Canada
30 June 1973	7:03	Atlantic Ocean, Central Africa and the Indian Ocean
20 June 1974	5:08	Indian Ocean and Australia
23 October 1976	4:46	Africa, the Indian Ocean and Australia
12 October 1977	2:37	Pacific Ocean, Columbia and Venezuela
26 February 1979	2:49	USA, Canada and Greenland
16 February 1980	4:08	Africa, the Indian Ocean, India, Burma and China
31 July 1981	2:02	The Soviet Union and the Pacific Ocean
11 June 1983	5:10	Indonesia and New Guinea
22 November 1984	1:59	New Guinea and the Pacific Ocean
12 November 1985	1:58	Antarctica

3 October 1986	0:01	North Atlantic
29 March 1987	0:07	South Atlantic and Africa
18 March 1988	3:46	Sumatra, Borneo, the Philippines and the Pacific Ocean
22 July 1990	2:32	Finland and the Soviet Union
11 July 1991	6:53	Hawaii, Mexico, Central America, Columbia and Brazil
30 June 1992	5:20	South Atlantic
3 November 1994	4:23	Peru, Bolivia, Paraguay and Brazil
24 October 1995	2:09	Iran, India and South-East Asia
9 March 1997	2:50	Mongolia and Siberia
26 February 1998	4:08	Galapagos Islands, Panama, Columbia and Venezuela
11 August 1999	2:22	Europe, Hungary and the Middle East and India

Hungary and the European Union

The Development of Hungary's Relationship with the EU in 1999 and 2000

The process of Hungary's European and Euro-Atlantic integration with the European Union and NATO entered into a new, decisive phase with the commencement of accession negotiations in 1998. Our accession to the North-Atlantic Treaty Organization, the definitive institution of the Continent's security policy architecture, in March 1999 ended an era. Our voluntary membership in NATO, sought out of national interest, has confirmed the results achieved in a market economy and democracy during the first decade of the transition period, has defined the place and the international affiliations of the country for a long time to come, has brought about improved security environment and conditions for the modernization and rapprochement of the country, and finally has helped to achieve the aspirations of the country for EU accession, which enjoys national consensus.

As an associate country and one ranked for accession in the first round by the European Council, Hungary has continued its cooperation with the European Union over the last two years. Both parties are continuously fulfilling their obligations stemming from the Association Agreement. Hungary is performing successfully in accordance with the defined programs and national strategies.

It is especially important from the perspective of EU accession that the economy has stabilized and conditions of sustainable development are in place, thanks to the economic policy pursued. In 1999 and 2000 annual GDP growth was constantly above 4% which, coupled with unemployment which fell below 8%, is more favorable than the EU country average. During the last two years exports have increased faster than imports and, surpassing the world trade average, have grown by an annual 8 to 10%. The competitiveness of domestic products has increased by 20%. The influx of foreign working capital has risen further and, by the end of 2000, surpassed the USD 23 billion mark. Although inflation was higher than forecast, macroeconomic indicators have not deteriorated; the general government deficit remained higher than planned, the current account deficit was financed from foreign capital influx. All this was partly due to unfavorable outside circumstances (Russian financial crisis and the war in former Yugoslavia). The most notable

international analysts unequivocally assessed the performance of the Hungarian economy as being positive by the end of the decade, reclassifying the country from the group of “transitory economies” to the group of “progressing economies”.

The change in the destinations and the product portfolio of Hungarian foreign trade was even more convincing. By the end of the 1990s, the share of the EU member states in Hungarian had reached 77% and 67% in exports and imports, respectively. Trade with the European Union in 1999 and 2000 showed USD 1 billion during both years in our favor. The share of machinery and equipment in this regard has improved dynamically as a result of the successful structural transformation of the economy. Enterprises and banks of the Union are the most significant investors in Hungary, with their share being in excess of 60%. Overall, it can be said that the foreign trade (real) integration of the country into the Union has achieved definitive levels prior to integration, and thanks to dynamic development our accession will not be a burden but rather a boosting factor on the economies of the Union.

Hungary’s activity in the field of legal harmonization has been unbroken since the signing of the Association Agreement, and has yielded significant results during the past two years. Legal approximation based of the associate status today, is serving the purposes of preparation for accession. The National Program for the Adoption of the Acquis (NPAA), approved in early 1998, provides an integrated framework for legal harmonization, institutional and human resource development and measures aimed at economic development.

The program encompassed numerous key steps aimed at harmonization during the past two years. Such an example in the political sphere is the launch of the mid-term action program approved in April 1999, aimed at improving the situation of the Romany minority (employment, education, housing, and health affairs). In economic terms one could cite measures aimed at adopting the regulations of the internal market, such as the revised, EU-compatible Customs Act, the accelerated adoption of EU standards (6,884 of the 11,456 EU standards had been adopted by the first half of 2000), the new taxation regulations (the abolishment of reduced VAT rates on certain products and services, the elimination of existing structural differences in excise tax by law), the launch of the new energy program and the drafting of new employment policies which better reflect European employment strategies. The complex support provided to small-to-medium-sized enterprises (ranging from the development of the entrepreneurial network, through training, to improved access to financial resources) is an important priority of the Széchenyi Plan. Steps have been taken in the field of justice and home affairs towards the introduction of a uniform visa policy, safer border management, and several international treaties (EU, OECD) against corruption have been incorporated in Hungarian law. The establishment of a new Office for Immigration and Citizen’s Affairs in January 2000 was an important step of institutional harmonization in the field of refugee affairs. There have been efforts aimed at strengthening the institutional background of the fight against organized crime, and a national strategy was approved for the management of drug-related problems.

The government reviewed and revised the NPAA in June 2000. The review encompassed new requirements which came to light with changes in the acquis and was discussed during the accession talks. The revised NPAA also contains a concrete implementation plan for 2000 to 2002 for the adoption of all the acquis chapters. The plan is in harmony with the legal harmonization programs and establishes a link with comprehensive national programs such as the Széchenyi Plan. The economic basis of the plan is set forth in the strategic plan approved by the government in June 1999, under the title “Catching up with Europe”, which provides a uniform framework for EU assistance programs and the objectives of the NPAA.

In the case of EU assistance, Hungary has received an annual average of EUR 100 million of non-refundable assistance from the Phare program over the past two years for different investment, energy, infrastructure-development, public administration and welfare institutional development purposes. In accordance with the “New Orientation” reform of the program approved in 1998, assistance is distributed for accession-related tasks directly on the basis of priorities set forth in the

NPAA. As a result, the high priority topics for the 2000-2006 period include ones such as expert assistance for the establishment of institutions to ensure compliance with the acquis, training and twinning, mainly in the justice, employment, social policy, health and financial sectors, support provided to the Romany minority and also the introduction of regional development, programming and management methods as well as the establishment of local practices to receive the structural funds of the Union. The introduction of ministerial-level coordination in 1998 and 1999 significantly improved the efficiency of the use of Phare funds.

Decision No. 1266/99/EC of the European Council has decided, that from 2000 onwards the European Union is to assist the preparation of associate countries with the introduction of two new financial instruments besides the Phare-program. ISPA, the structural assistance provided in the framework of the pre-accession strategy, has the main objective of preparing the relevant countries to use Union funds, with particular attention to investment and institutional development in the fields of environment and infrastructure. The special assistance program for agriculture and regional development (SAPARD) is aimed at preparing the receipt of European agricultural and guarantee funds and the introduction of a sustainable agricultural and regional development strategy, as well as the establishment of competitive sectors. In the course of the period between 2000 and 2006, Hungary can tap into EUR 100 million from ISPA and EUR 38 million from SAPARD, annually.

The results of economic development and accession preparations are well reflected in the country reports published by the European Commission in the autumn of 1999 and 2000, which analyzes and assesses the preparedness of candidate countries for integration. The Commission had earlier examined the fulfillment of the 1994 Copenhagen Criteria for membership in its analyses prepared in 1997 and 1998. These assessed the ability to assume the obligations stemming from membership and the situation in respect of the adoption of acquis and depicted a favorable assessment of the Hungarian case.

Beyond the positive overall assessment, the latest annual reports also show that the Republic of Hungary not only achieved significant progress in the field of preparation, but is also among the leading candidates in fulfilling accession criteria. Based on the report, Hungary is a democratic constitutional state, continuously fulfilling the Copenhagen political criteria, i.e., it respects human rights and freedoms and has a stable institutional background, which guarantees democracy and the rule of law.

In respect of the economy, the report states that Hungary possesses a functional market economy, which has integrated the furthest into the Union, one that has achieved significant progress in consolidating and strengthening the institutional foundations of market economy. If the current economic policy is pursued even further, the country will in the near future be capable of coping with the pressures of competition and market forces within the Union. This is an important statement in the country report of Autumn 2000 in contrast with last year's, which stated that economic competitiveness would be achieved only in the medium term.

We have also received very good ratings in respect of the adoption and implementation of the acquis communautaire. The annual report for 2000 states that Hungary has not only shown commendable progress in adopting and implementing the acquis, but has also reached good levels in most of the areas of preparation for membership, developing a firm institutional, legal and administrative base, which includes key institutions and public administration facilities necessary for entry into the internal markets.

We can consider it natural that the detailed, nearly 100 page-long, country reports prepared by the Commission will also have observations which call the attention to the necessity for more efforts in certain areas besides noting the progress made in the preparations. Recent reports, for example, mention Hungary's, along with other candidates', need to improve the situation of the Romany population and to take further steps in the fight against corruption. In the field of economy, the report mentions the issue of price stability and continued fiscal consolidation (healthcare, transportation, and local governments), whereas in respect of the acquis, it cites the need to speed

up legal approximation in the field of plant and animal health, transportation, and environment protection. Besides raising such issues, the Commission has acknowledged steps taken or envisaged in the given area and the NPAA.

All in all, the report of the Commission on Hungary strikes a very positive note and - in respect of all membership criteria - continuously ranks the country among the first three in the group of candidates. In this sense, Hungarian and foreign analysts are on the opinion that - provided there is no substantial change in the performance of the country in its preparations and the EU's assessment of this up to late 2002 - Hungary has a solid chance of being among the first to join the European Union.

Another important aspect of relations is the development of the European Union and its own preparations for this historic enlargement towards the east. The last two years have brought significant changes regarding the political and academic-professional debate on the state of the Union, the orientation of its further evolution, and its preparations for eastward enlargement. Attempts and statements about outlining a future vision - which was boosted by the approaching Millennium - had both direct and indirect impacts on the relations between Hungary and the EU. Placing Europe in the context of a world economy and global policy, the analytical works of researchers and public figures concede that they look upon the European Union as being a pole of the newly emerging world order, which will only be able to compete with the USA and the Far-East by further enhancing and deepening integration. Special mention has to be made of the so-called "Lubbers Report" published in 1999 by the Advisory Council on International Affairs in The Hague, which envisages the evolution of the EU up to 2010 along the lines of three scenarios. The first model ("Competitive Europe") reckons with 26 member states, a wide integration in which the economic and monetary union would be coupled with increasing social disparities. In the second model ("Europe of Conscience"), the integration is also wide and strong, but here a greater emphasis on social cohesion results in slower growth and a weaker Euro. The third option, "Mosaic Europe" - a rather pessimistic choice - would have integration with only a few member states, while the rest of the continent would be divided into local markets and regional groupings on the basis of cultural cohesion.¹ A study (called the "Amato Report" after its editor, the former Italian Prime Minister) applying a similar approach was published by the University of Florence in the Spring of 2000. Its main research criteria were also enlargement and social problems, namely the contradiction between a common political identity and cultural differences, the issue of national minorities, the social divide between old and new members, and the challenges of protecting common borders.² A speech delivered by German Foreign Minister Joschka Fischer on 12 May 2000 at Humboldt University, Berlin caught the attention of many because he supported the establishment of a federal state and multi-speed integration.³

Naturally, the leading bodies of the European Union also contributed to forming a future vision. The "official scenario" for the further development of the Union was outlined by the European Council's Lisbon Summit in March 2000. The document approved here had a comprehensive plan for the future of the Union, which has the following main strategic objectives: the establishment of a knowledge-based, information society, a competitive, sustainable economy, which establishes jobs and a modernized European social model, including the establishment of an actively functioning welfare state. Among the objectives to be realized by 2010 we find the following: an annual 3% economic growth rate for the member countries, the establishment of 20 to 30 million new jobs, a complete liberalization of telecommunications and financial services thus fully implementing a unified internal market, and a more efficient coordination of the EU's efforts. Realizing all these by 2010, the EU will reach the level of macroeconomic development of the USA, without giving up on such classical European economic and social principles as full employment and social cohesion. Hungary is interested in joining a prosperous and efficient European Union with a firm and attractive future vision. Official Hungarian statements welcomed the "Lisbon Approach", which, as opposed to comparing the objectives of economic development and social cohesion with those of further enhancing and deepening the Union, treats them in an integral way. For this reason - as it

was emphasized many times by Hungarian statesmen - we support the ambitious objectives set forth in Lisbon, and are convinced that the vigorously developing Hungarian economy can positively contribute to their implementation. Knowing that the establishment of an information society is the precondition for bringing about sustainable economic development, Hungary has taken several steps to promote IT education and widen access over recent years (school internet program, tele-houses, establishment of the "IT Commissioners" Office, etc.).

It is this constructive and realistic approach that characterizes the Hungarian position concerning questions related to the further deepening and internal functioning of the Union. In June 2000, Minister of Foreign Affairs János Martonyi spoke at an international conference held in Peralada, Spain. Talking about the basic characteristics of integration in the 21st century, he mentioned federal structures - with decisions partially delegated to regional levels (reducing but not abolishing state authority) - and the strengthening of subsidiarity, the reduction of bureaucratic controls, an increased contribution of member states to the financing of common policies, the strengthening of European identity and cultural diversity, and, as a result of all these, an increased legitimacy for European institutions. What concerns the "enhanced cooperation" raised by A. J. Fischer and others as being a new element of integration (accelerated growth in the integration of some member countries), Hungary could only find it acceptable if it acted as a magnet, i.e., if it was inclusive and not exclusive in nature, leading to progress even those who did not join at first, and one which did not differentiate between member states by their date of accession.⁴

It became generally accepted when talking about the evolution of integration that it has reached a new historic phase once the economic and monetary union was in place. During this period, dimensions of the political union, i.e., the common foreign and security policy and cooperation in the field of justice and home affairs, are also in the forefront along with economic and financial objectives.

The EC Summit held in Cologne in June 1999 and the following one in December in Helsinki formulated important decisions on the further development of the CFSP and the establishment of a new Common Security and Defense Policy, including the option to launch military crisis management operations, the elimination of any redundancies with NATO, the establishment of military capabilities and capacities for crisis management, peacekeeping and humanitarian intervention, as well as the political and security policy institutions to control them and the integration of the WEU into EU structures within two years. The political objectives of these decisions were to make the Union capable of independent crisis management and to develop military potential accordingly. A recent result of this latter program was a pledge conference held in Brussels on 21 and 22 November 2000, which decided to set up a European Rapid Reaction Corps with the participation of virtually all the member and candidate countries within two years. By virtue of our geographical location, we welcomed these decisions, since Hungary was interested in three regards three-fold - as an EU candidate, a member of NATO, and an associate member of WEU - in maintaining the security of Europe, and was ready to take its proportional share in implementing the CESDP (Hungary offered to send a mechanized infantry battalion and an air defense battery, with 350 soldiers for Eurocorps).

Regular political dialogue and consultation continued in the framework established earlier between Hungary and the EU along common objectives and values, and the number of démarches approved by the EU to which Hungary joined exceeded 300.

Hungary's position is that a CESDP, clearly defined in both political and military regards, can only increase the role and responsibility of the EU in maintaining the security of the Continent. It was this conviction that led Hungary to join the implementation of the Southeast European Stability Pact as the co-chair of "working table" No. 1, which deals with issues of democracy and human rights.

Regional and subregional cooperation programs in which Hungary is actively participating also serve the purpose of stability and democratic development of the Central and Eastern European region. The period of 1999 and 2000 opened up a new chapter in the cooperation of the Visegrád

Four, reviving and filling it with new substance, enriching the political consultation with tangible (cultural, educational) cooperation programs, thus promoting the EU accession of members, and assisting Slovakia in catching up. The dialogue and exchange of opinions in the Central European Initiative helped better define the profile and tasks of the group leading to the launch of specific economic, infrastructural, and cross-border cooperation. Hungary attaches an important supplementary role to this in the EU accession processes of member states.

Cooperation in the field of justice and home affairs gained more and more attention. The European Council's meeting in Tampere in October 1999 approved decisions which not only emphasized the political, legal, and security aspects of this issue in a structured and complex manner, but also paid equal attention to social and humanitarian aspects.

From the moment of EU accession, Hungary desires to become a full-fledged member of all the dimensions of EU including the "third pillar". Hungarian legislation and practice is already by and large in harmony with Union objectives, the institutional system of the rule of law, the democratic and legal functioning of the police and judicial bodies all serve to fulfil the obligations undertaken. Developments of the past two years include the development of a complete system of border registry, the establishment of an integrated refugee and migration organization and alien registry, the modernization of refugee shelters, the launch of an IT system for the Hungarian consular service (first among the candidates), and the approval by Parliament of a legal package against organized crime. We have continued our efforts in the framework of the accession partnership in the fight against organized crime and corruption.

The Tampere Resolutions have opened up new opportunities for Hungary and other candidates, since they envisage technical assistance for investments into the development of border protection on future external borders. This makes it easier for us to prepare for the adoption of the Unions regulations on border protection. We are still looking for political and legal solutions which after accession to the Schengen Treaty will help us in our contacts with neighboring countries and the Hungarian minorities living there.

The issue of eastward enlargement has been given much importance in future visions and the internal debates and decisions of the European Union alike. This issue appears in the Union approach in relation to other key questions of the further development of integration, primarily its deepening and internal evolution, and on the other hand with the expected impacts and financing of the enlargement. Among the enlargement criteria approved by the 1994 Copenhagen meeting of the European Council there is mention of "the Union's capability to adopt new members without hindering the impetus of development in integration". Thus the progress of the enlargement process started in 1997 and 1998 has at least partly become dependent on the internal, primarily institutional, reforms of the EU, besides the preparedness of candidates.

A decision was made on enlargement, with accession talks starting with the first candidates in March 1998, the key stages of which were the Council of Europe's 1999 meetings in Berlin and Helsinki. The strategic importance of the decisions made in Berlin lies in the fact that the EU managed to agree on approving the Agenda 2000 package and the provision of financial instruments aimed at financing enlargement. The Helsinki decisions were also fundamental in nature. According to them, the Union would start discussions with another 5+1 associated countries - Bulgaria, Estonia, Latvia, Lithuania, Romania, and Malta - and undertook to successfully conclude the intergovernmental conference on institutional affairs by the end of 2000 and establish the internal conditions necessary to start enlargement by the end of 2002.

The Intergovernmental Conference on Institutional Affairs (IGC) was in session for 336 days from February to December 2000, in Nice. The results of the conference have been included in the Nice Agreement approved by the European Council meeting held at the end of the French presidency. Beside the main elements of institutional reform (number of commissioners, proportion of votes, the distribution of parliamentary seats, extension of majority voting, and "enhanced cooperation") the European Council also decided on enlargement, defining the schedule for accession talks in the future ("road-map"). According to this, the EU declared - reiterating its earlier undertaking - its

commitment to be ready to adopt new members by the end of 2004, doing this with the intent of allowing the new members to already run in the 2004 European Parliament elections (this indirectly implies accession of the first round of new members by the beginning of 2004, at the latest). The Nice decisions were advantageous for Hungarian-EU ties. Hungary has said from the outset that it intended to join a well functioning and efficient integration, thus it is interested in the successful and timely conclusion of the IGC. Certain resolutions of the institutional reform are favorable for Hungary with the exception of one topic, which can still be changed during the negotiation phase (the number of parliamentary seats). It is also advantageous from the perspective of Hungarian accession that the EU has accepted the schedule of accession talks, it has reiterated the principle of differentiation on the basis of individual merits (leaving open the possibility of catching up) and it has left open a theoretical possibility of progressing in advance of the schedule, thus of accession in 2003.

European Council decisions of the past two years have thus cleared two of the three obstacles to enlargement (costs of enlargement plus the “Amsterdam leftovers” of institutional reform), meaning that the key element of the accession process after Nice is the successful and timely conclusion of the accession negotiations.

With respect to the developments of the Hungarian-EU talks in 1999 and 2000, we should mention “acquis screening” which was completed on 2 July 1999. In the course of the screening, experts of the two parties - meeting in 77 rounds of negotiations, on the basis of 35 government proposals and resolutions each - reviewed the 31 chapters of community legislation, amounting to 80,000 pages, containing 20,000 thousand regulations, decrees, directives, decisions, positions, and recommendations. During the course of this, the parties also identified problems to be handled during later discussions. Substantial and tangible talks started in earnest after 10 November 1998, following the drafting and submission of the Hungarian position (“position paper”) on the chapters screened. With few exceptions, Hungary handed over all its position papers to its negotiating partners by November 1999.

By the end of 2000, talks have started regarding all (29) chapters of the community legislation (with the exception of institutional issues and “miscellaneous” matters). So far the agendas on fourteen chapters have been temporarily closed (small-to-medium-sized enterprises, science and research, education and training, statistics, industrial policy, telecommunications and information technologies, fisheries, consumer protection, economic and monetary union, common foreign and security policy, financial control, energy, external relations, social policy, and employment). Talks have started and are underway in five other topics (free movement of goods, customs union, company law, taxation, and services). The screening of new EU legislation is also underway as well as the monitoring of compliance with obligations of adopting legislation (“updating” and “monitoring”).

It is an important achievement of Hungarian-EU talks that all chapters have been opened and this has allowed talks to enter into a new phase. In this phase the key Hungarian objective was, after identifying problems, to have progress towards solutions, find compromise solutions in the “easier chapters”, clear the negotiating table, and, during the first half of 2001; the term of the Swedish presidency, have tangible talks on the “tough chapters” still outstanding (free movement of capital, free movement of people, and environmental protection).

In this and the coming decisive phases of the negotiations, proving our abilities is no longer our objective. Instead we wish to join on the basis of well-defined conditions, in line with our national interests, fully enjoying rights and opportunities, and fully undertaking obligations stemming from membership. Naturally, there are areas in which - heeding the interests of the Hungarian population, enterprises, and the budget - we need to request temporary derogation. These can not cause insurmountable problems because a substantial number of our derogation requests are limited to a few chapters, while it is expected that the EU will also request derogation in certain areas.

The “road-map” approved in Nice makes substantial progress possible during the first half of 2001

by applying a flexible and differentiated approach, which can allow the better prepared candidates to speed up the talks. Hungary is hopeful that the dynamics of the negotiations will pick up and talks will finish successfully by the end of 2001. This would allow the Country to become a member of the Union as early as 2003 following ratification in the member states. To this end, Hungary is willing to speed up the implementation of outstanding integration related tasks, as a part of which the government will, during the first half of 2001, submit to the Parliament three legislative packages, which have been defined as being a precondition of accession.

Preparing society for membership in the European Union is a particular task in the accession preparations of Hungary. This process has a decade long history in the country and the past two years have also produced significant results.

With the completion of the first initial phase of the government communications strategy, the second phase set the objective of allowing citizens with basic knowledge on the EU and Hungarian integration to formulate their own opinion on the prospects and content of being part of integration. Besides programs intended for the public at large, there were special target groups in the communication process, such as the media, teachers, youth, entrepreneurs, intellectuals in the countryside, NGOs, interest representation groups, and the agrarian society.

We have continued with the well-tested information campaign. A topical series of brochures entitled "It concerns me too" on the EU and the important topics of Hungarian accession were published in 29 editions by late 2000. Through competition for the printed media, 25 major national publications were given support between 1998 and 2000 to publish integration-related articles (agriculture, commerce, transportation, education, etc.) and thirteen county papers carried integration supplements. The number and variety of integration related programs in the electronic media - especially the Hungarian State Television, Hungarian Radio, and Duna Television - also increased.

Complex mass events were organized to inform the wider public. By late 2000 the number of Europe Days organized with the cooperation of local governments, non-governmental organizations, and the EU Delegation in Budapest grew to 37. Such Europe Days were organized during the Millennium Year among others in Gyula, Eger, Záhony, Csenger, Mohács, Szekszárd, Nagykanizsa, Sopron, Székesfehérvár and four communities in Bács-Kiskun County. Europe Stands were erected at all international fairs and exhibitions held in Hungary, providing information about current events of EU integration. European Information Points combine regional and citizen friendly information, which offer library, documentation and other services in all of the counties by 2001.

The training of Hungarian officials and experts on EU integration has continued with the participation of several thousands of government, local-government, and judicial experts. The Hungarian Public Administration Institute has also joined the organization of this training and Centers of European Studies were established from Phare Funds at twelve universities and colleges. All this was positively reflected in the Commission's country reports on Hungary, which mention it as a sign of preparedness.

Communication with member states also gains importance with the tangible progress of the accession process. This is because besides the generally positive political intent of accepting Hungary as a member, there have been concerns and qualms which have surfaced among the population and in some cases among opinion-formers in the member states. This is reflected by the results of a survey carried out by Eurobarometer in the spring of 2000, which point out that although there is higher support for our accession than for other candidates, there is some decline in public support in countries such as France and the United Kingdom, for example.

All this called for a deliberate and efficient "external communication strategy" with the objective of demonstrating our preparedness for integration and clearing any doubts with information and reasoning. Among the important efforts in this program of information was the publication of a country information booklet directed at professional audiences in several languages, the Internet broadcast of the Hungarian-Dutch integration round-table, the debate at the Hungarian days in Berlin, the Europe 2020 conference organized in Budapest and the exhibition titled "What is Hungary bringing to the European Union?" organized in Hanover. The new, integration homepage

of the MFA is an important communication tool, providing updated information. A computer (DVD) game on country information was released on the 50th Anniversary of the Finnish-Hungarian Friendship Society in Helsinki. There will also be a public information competition started on the internet in 2001 on the preparedness of Hungary.

The communication program approved by the Commission in May 2000 has a positive influence on the implementation of our communication strategy, aimed at providing information to the public (business life, society, churches, education etc.) in the candidate countries and the member states. The comprehensive six-year program launched in 2000 with EUR 150 million in support from the EU may contribute to strengthening the intellectual base both at home and in the member states.

Dr. László Nyusztay

¹The IGC 2000 and beyond: towards a European Union of thirty member states, Advisory Council on International Affairs (Chair: Prof. R.F.M. Lubbers), The Hague, 2000.

²Giuliano Amato (chair), Final Report of the Reflection Group on the Long-term Implications of EU Enlargement: the Nature of the New Border, The Robert Schuman Centre for Advanced Studies, European University Institute, The Forward Studies Unit of the European Commission, Florence, 1999.

³“From Confederacy to Federation - Thoughts on the Finality of European Integration”, Speech by Joschka Fischer at Humboldt University in Berlin, 12 May 2000, Federal Foreign Office, Berlin.

⁴Lecture given in Spain on the EU's Future by János Martonyi. MTI, Luxembourg, 13 June 2000. MFA Spokesman's Office, Bp., p. 1-2.

Chronology of the European Union

1950

French Foreign Minister makes a proposal to put the German and French coal mining and steel making industries under the unified control.

1951

France, West Germany, Belgium, Luxembourg. Italy and the Netherlands sign the Paris Treaty that establishes the European Coal and Steel Association (ECSA).

1957

Six countries sign the Rome Treaty that establishes the European Economic Community (EEC). With a separate agreement, the European Agency for Nuclear Energy (EANE) is brought to life.

1967

The ECSA, EEC and EANE unite to establish the European Community (EC).

1973

The United Kingdom, Ireland and Denmark join the European Community.

1979

The European financial system is established and, with the exception of Britain, all the EC countries

join.

1981

Greece joins the European Community.

1985

Leaders of the EC sign the Unified European Document. the aim of which is to establish a real unified market by the end of 1992.

1986

Spain and Portugal are admitted to the European Community.

1991

Leaders of the European Community accept a new agreement in Maastricht that establishes the European Union (EU). This document contains provisions to set common foreign policy and jurisdictional cooperation and marks a goal to establish a common currency by the end of 1999.

1992

Agreement on the European economic region with an extended and unified market is signed with Austria, Finland, Sweden, Norway, Switzerland, Liechtenstein and Iceland. The agreement is refuted by a referendum in Switzerland.

1994

EU membership is refused with a referendum in Norway.

1995

Sweden, Finland and Austria join the European Union.

1996

An inter-governmental conference begins with the aim of elaborating the new EU Treaty.

1997-1998

Six months after the inter-governmental conference finished, negotiations to join the EU began with Cyprus, Malta (if required), Hungary, the Czech Republic, Poland, Estonia and Slovenia.

1999

On 1 January the appropriate EU member states start using a common currency called euro.

The Results of the Accession Negotiations in 2000

The most important decision of the European Council's last meeting held in Helsinki in 1999 articulated that, at the beginning of 2000, EU member states will start and before the end of the year conclude an intergovernmental conference, which is set to bring about the institutional reforms

so vital for enlargement. By ratifying the results of this conference the EU will be in a position to adopt new members by the end of 2002.

It was also made clear in the Finnish capital, that the next presidency should open all the negotiation chapters with the “Luxembourg countries” and should start accession talks with countries belonging to the “second round of countries, i.e., the Helsinki group”.

On the basis of this it became predictable and possible, that the year 2000 will only bring technical progress at the accession talks, since all the political efforts and the attention of member states will be directed towards the IGC. This became all the more evident, when the European Council’s Nice Summit only managed to finish its work 36 hours after the original schedule, at dawn on 11

December. Analyzing the reports will provide quite a workload for politicians and experts for a long time to come. It should suffice to say that the EU has fulfilled the last formal precondition for enlargement. It seems evident that the process of ratification will not be devoid of critical moments, but one can say that the Union will be ready to adopt new members starting from late 2002.

The schedule of negotiations in 2000 will primarily be based on technical and quantitative elements. An extraordinary number of technical issues need to be cleared and made ready for the negotiations to achieve a quality leap and reach a political phase. The year 2000 has brought about significant changes in this regard.

Opening All the Chapters – the Portuguese Presidency

The Cologne Summit of the European Council in June 1999 articulated that negotiations with parties which started accession talks on 31 March 1998 based on the Luxembourg decision should open all the chapters by mid-2000. “All” implies that this pertains to a total of 29 chapters.

“Institutional Issues” (chapter 30) and “Miscellaneous” (chapter 31) will be opened only later.

The Portuguese presidency, which took office in January 2000, drafted the negotiation schedule in light of this. The program contained two “deputy” and one “ministerial” level round for the “Luxembourg countries”. Negotiations with the “Helsinki Countries” also started on 15 February 2000. It is worth noting that the EU used striking differentiation in the initial phase of opening chapters in their case. The “Luxembourg Group” more or less moved together during the first two years of opening the chapters, and the only minor difference between them was in the number of chapters closed.

During the first half of the year, the agenda for the first “deputy” round (chief negotiators) - the seventh round in all - had six chapters to it. Of these two belonged to the last package (regional policy and financial control), while four have been opened earlier (free movement of goods, corporate law, social policy, common foreign and security policy). The closure of the CFSP chapter was attributed to a statement made by Cyprus on the issue in Helsinki and the intensive negotiations of the Portuguese presidency and a few member states. In respect of financial controls the closure of the rounds became dependent on the submission of supplementary information. The fact that the issue of regional policy was opened was a significant event in itself because it was one of the most sensitive chapters. When it came to the most significant (financial) issues the European Union also postponed the articulation of its position. It was evident that the Union did not want more than a formal opening of the chapters at this stage.

Social policy was discussed for the second time. Although there were fewer open issues, the uncertainty caused by the lack of supplementary information became the most evident in this case. It was not quite clear what the objective behind requesting “further and more precise information” was. It is a fact that the majority of the member states considered this chapter to be “delicate” one and at least indirectly linked it to the free movement of people. In respect of the free movement of goods and corporate law, the fact that the Hungarian government submitted a compromise proposal for pharmaceutical products is considered a tangible development. The issue of patents still remains in the chapter on corporate law (“absolute ground refusal”).

During the course of preparations for the next deputy-level negotiations the member states got into

a “family row” while consolidating their opinions internally. (The press reported on this at length in relation to the free movement of people.) It was presumable that that there would be no definite EU position on further chapters after the issue of “Regional Policy”. Contrary to the case when the EU had a tangible position or an important matter to discuss, this time the sensitivity and the complexity of the issue was only referred to, but member states postponed taking any real positions. This on the one hand is undoubtedly an unfavorable development, since this wait-and-see tactic can question the viability of dynamic negotiations. Two other elements also have to be taken into account in order to come up with a balanced assessment. The opening of a chapter, in itself constitutes a step ahead, since when considering questions, problems and issues, member states would start negotiating among themselves. Naturally, Hungary expected and still expects the EU to tangibly reveal its confronting positions, but this first requires that the fifteen come to a common stance on the issue. Another, seemingly technical, result is the act of opening chapters. All in all, it has to be taken into account that the EU ruled out the possibility of tangible negotiations as long as there were “unopened envelopes” on the table.

In accordance with this the second round of “deputies” there were three new chapters opened on 26 May. Discussions started on issues related to cooperation in justice and home affairs, budgetary issues and the free movement of people. Among these issues, budgetary questions encompass items too early to be answered because of certain cross-referencing problems. We received a large number of questions in respect of justice and home affairs issues and when providing answers, significant attention will have to be paid to establishing an effective institutional background. The EU put forward several questions relating to the free movement of people but when it came to the most important issue, its readiness to apply the *acquis* for their case from the moment of accession, the EU postponed its response.

There were three other items also on the agenda. In the case of two (industrial policy and telecommunications) the Helsinki decisions provide an answer for the reasons behind the altered Hungarian working hypothesis. Considering the fact that the earliest date of accession was changed from 1 January 2002 to 1 January 2003, there was no further need to maintain two earlier requests for derogation. The IGC formally stated that there was no need in these chapters for temporary derogation, so “these issues require no further discussion at this stage of the talks”. In the chapter pertaining to the free movement of goods the EU confirmed the receipt of the supplementary information it had requested and the parties affirmed that there was only one outstanding issue left open in this extremely significant and complex chapter, which was the problem of the *pharmacopoeia*. Since this is closely related to the problems of patents discussed under the corporate law chapter and taking into account the fact that on 6 April the Hungarian government submitted a complex supplementary discussion position, the review of which has not finished within the EU institutions, more time will be needed before the last missing step is taken.

At the next, fifth, round of discussions at ministerial level, the EU and the Portuguese executed the mandate bestowed upon them by the members in Cologne in June 1999, i.e., every chapter was opened. The agriculture chapter was also opened on 14 June, alongside with the topics of the agenda of the meetings of chief negotiators in April and May. There were no unopened envelopes left, and the second, intermediate part of the discussions could be started.

Opening the agriculture chapter was an achievement in itself, but here again it became evident that when it came to the most significant issues (direct support to farmers, and quotas) the EU postponed announcing its position. The number of chapters closed temporarily rose to 11 with the closure of “Financial control”.

In summary: the first phase of negotiations was concluded on 14 June 2000. Twenty-eight months after the opening statement and 21 months after the first tangible talks it could be said that the parties had adhered to the minimum technical schedule agreed to earlier. Hungary did not conceal its opinion that there would have been room for faster progress, but was not unsatisfied with the results achieved, provided that these did allow faster dynamism in the future.

The results of the 28 months - however technical in nature - are quite substantial. The screenings

and two supplementary audits have been completed. All the negotiation chapters have been opened and in the case of close to one third of them, we have come to the stage of “no further discussion needed at this stage”. We have provided additional information in more than 20 cases, which has brought us closer to closing further chapters. The “monitoring system” aimed at supervising the implementation of commitments is taking shape more and more.

The Start of the Second Stage of the Negotiations - the French Presidency

The Hungarian party has articulated its intent and aspirations, the essence of which were the beginning of a “new quality” phase in the negotiations. The bottom line was basically how to transcend the technical and formal nature of the first round of talks and how to start negotiations in earnest. It is necessary, even for the simplest looking problems, that all the 15 member states react to the candidate’s requirements in a tangible manner. During the first phase the reactions of the EU on all the cases could be put into three categories: we should withdraw the request; we should provide supplementary information; we should get back to the question. In order to achieve progress, Hungary proposed the use of three “techniques”. First of all, in light of the aforementioned new quality, compromises should be made - at least in the simpler cases - and a solution found for at least certain specific negotiation topics. The other method could involve - in the case of chapters reviewed practically completely - the isolation of problems that have been left after several rounds but can be solved at a later time, i.e., they are frozen, clearing the table and making the agenda more structured, more transparent. The third technique could be applied to the most complex cases. Be it environment, transport policy or primarily agriculture, these cover such a mass of *acquis* and so many topics that their review would necessitate several rounds of negotiations. Undoubtedly, the number-one priority during the term of Paris was the successful conclusion of the intergovernmental conference. Success in Nice was fundamental in terms of starting the enlargement, but the success of the IGC does not constitute a final solution to the institutional package, on the contrary, the reform process continues. In the beginning the French government treated the enlargement negotiation chapter with some caution. Prime Minister Jospin first outlined the orientation points of the presidency in a speech delivered to the National Assembly on 9 June. Only at the end of the speech, did he - very briefly - acknowledge the expectations of the candidate countries, the fact that many had been expecting substantial results from the French presidency, i.e., a schedule for accession or at least a clear methodology needed to conclude the negotiations, and hoped that France would be ready to provide these answers. At the end of the 14 July ministerial rounds, the representative of the presidency spoke about increasing the dynamism of the talks, the debut of a “new quality” round of negotiations and the drafting of a “*vue d’ensemble*”, which would encompass all the problems. On 4 July, President Jacques Chirac promised the European Parliament that the French party would speed up the talks, based on the individual merits of the candidates and the tangible use of the principle of differentiation. As a result of all this the Council can in Nice draw a picture encompassing the status of the whole talks, based on which it is able to visualize a road map which can serve as a guideline for the next presidency. It was more or less decided that there will be an assessment made for every candidate and every chapter (*vue d’ensemble*, scoreboard). It was mentioned several times that by the end of the French presidency as well a road map (*schema d’etapes*, *Fahrplan*) could be drafted, which would outline the key stages and elements of the negotiations up to the end along with the methodologies that could help bring the conclusion closer.

The number of accession rounds was the usual (two deputy and one ministerial level meeting). Besides the evident priority of the institutional reforms, the French presidency also strove to lend a new quality to the talks after the conclusion of the first round. Hungary did not expect that the most difficult chapters could be opened in earnest during this half of the year. It was justifiably expected that bargaining will finally start on the easier, so-called “soft” chapters, that is a debate which will ultimately lead to the first compromise agreements, in which the EU will not always veto requests

but occasionally consent to them. This was indispensable for progress, because there were no more chapters, which had at least one or two tangible problems or temporary derogation requests, left on the table. On the other hand, solving simpler matters made it possible to clear the table, and make the list of outstanding issues more transparent and structured.

The “chief negotiator” level round on 5 October (the ninth in all) had four chapters on the agenda. The “Energy” chapter was closed temporarily, which is quite an important result taking into account that this is a highly sensitive issue for the EU and some of the members. The Hungarian positions were improved by the fact that the preparedness of the country in respect of strategic reserves and nuclear safety is adequate, and the required investments can be made before accession. Preparations have also been started to open the market in light energy market deregulation. The lack of adequate programs for preparation and tangibly problematic issues led to the temporary closing of the chapter. The “External relations” chapter was also filed under the “no further negotiations needed at this stage” category, where there was a formula developed which allowed the review of the original Hungarian requirement as a result of expert level talks initiated by the Hungarian party.

An agreement was reached on the issue of trademarks in the “Corporate law” chapter, thus there remained only one outstanding issue: appropriate certification of the protection of pharmaceuticals. Considering the fact that talks on the “Free movement of goods” chapter were also closed, with the exception of the pharmacopoeia, it could thus be stated that the chapter was ready to be “frozen”, meaning that the chapter required no further discussions at this stage with the exception of one item. (The strategic document on enlargement, published on 8 November, actually suggested the introduction of a “set aside” category.)

A new round of talks were held following the submission of supplementary information for the “Taxation” chapter, but the multitude of problems (lower VAT, dividends tax, and distillation by subcontractors) still call for further talks in spite of the progress achieved.

The next deputy level rounds (16 November) had a short agenda, with two chapters: “Social policy and employment” and the “Free movement of services”. In the latter progress had been made in several areas (i.e., Hungarian Development Bank, Eximbank) but several others needed further treatment. Some problems have to be solved in the context of this chapter (Investment Protection Fund, minimum capital requirements of savings banks) but there are other discussion topics (mortgage institutions’ land ownership, restriction of the export of capital by insurance companies) which are rooted in other chapters, namely the one on the “Free movement of capital”).

The closure of the “Social policy” chapter was a major achievement. The topic covers a very wide range of issues (from labor law, through non-discrimination to safety in the workplace), still there were two questions which received significant attention. This was the first time the EU accepted the Hungarian request for derogation in its original form. The Hungarian request pertaining to the tar content of cigarettes was especially important for social or labor-related reasons, since an amendment without derogation would have endangered about 15,000 tobacco farmers in the poorest regions of the country.

Special attention was devoted to the problem of social dialogue within the chapter. This topic is at the forefront of debate in Hungary. Overall the European Union was on the opinion that the institutional framework for social dialogue was in place, but significant efforts were needed in order to make them operate efficiently. The Commission would pay special attention to the developments in the future, that is to say “monitoring” will be activated.

These were chapters which had been on the agenda of the ministerial level rounds planned for 5 December, and which were supplemented with the chapters on environment and transport policy. It seems that the shift towards “new quality” had started, although a real breakthrough will most probably happen at the beginning of the Swedish presidency only. The negotiation table had however become “tidier” because half of the chapters require no further discussion at the moment, and significant progress had been achieved in a further 3 to 5 chapters.

The Year 2000 in the Light of the Results

Accession talks: Apart from the 14 chapters closed, we have come very close to closing another 5 or 6 chapters. We basically now see the 8 to 10 chapters on which we will have to focus our political attention and professional efforts. This requires the establishment of conditions which would allow a political breakthrough on the part of both Hungary and the European Union.

Hungary's preparations: On the basis of the essentially objective and balanced report published on 8 November, Hungary has a good chance of being granted a place in the first round of accession, no matter when and in what group it should happen. The "finish" is starting now. The problems to be solved are not impossible but are undoubtedly significant in nature. Political forces, the public administration, and public opinion need to join hands, so that we can prove that we are capable of joining the European Union at the very first moment. No changes will be made to our strategy of preparation. Programs which we promised to implement by the end of 2002 are still upheld.

Preparations of the European Union: With the decisions in Nice and the approval of the Nice Treaty, the EU has also fulfilled all the criteria necessary for the start of the enlargement. Naturally, there might be problems arising during the course of the ratification process. It is also probable that there will be attempts to formulate newer and newer indirect preconditions of accession. One might agree that there will not (cannot) be any obstacles on the side of the European Union to start enlargement from the end of 2002.

Accession strategy: If both parties were to be prepared by late 2002, there is just one step left – the conclusion of the accession talks. One of the grandest achievements of the year 2000 is that we are beginning to see the outline of a time-frame (with no deadline given) which perhaps leaves open the issue of starting the enlargement at the beginning of 2003, while already outlining the stages of the route leading there. The "road map" was published on 8 November in the EU's strategic document on enlargement, and was practically reiterated by the General Affairs Council on 4 December and later at the Nice Summit. This schedule along with all the related instruments ("set aside" category, categorization of requests for temporary derogation) and the work plan of the Swedish presidency, which evidently puts enlargement in the first place, all ensure that the first half of 2001 will be a veritable period of breakthrough.

Thus, the results of the year 2000 can only be assessed later. It remains to be seen if during the course of 2001, these will provide a good basis for a qualitative and quantitative breakthrough during the negotiations and, in parallel with them, the internal preparations. The stakes are high and the challenge is unique. In 2000 we have come closer to the target, but we still cannot discern its precise position. The next 12 months can only bring us closer to answering the most intriguing questions.

Dr. Péter Györkös

The European Union After Nice

Country	Population (million)	Number of votes currently	Number of votes, Treaty of Nice recorded	Number of Seats in European Parliament	GDP/capita in 2000 (US\$)
Old	Old				
Germany	82.038	10	29	99	24 800
Great Britain	59.247	10	29	87	27 700
France	58.966	10	29	87	23 700
Italy	57.610	10	29	87	20 100
Spain	39.934	8	27	64	15 100
Netherlands	15.760	5	13	31	24 600

Greece	10.533	5	12	25	20	11 7
Belgium	10.213	5	12	25	22	24 0
Portugal	9.980	5	12	25	20	11 6
Sweden	8.854	4	10	22	18	27 0
Austria	8.082	4	10	21	17	24 9
Denmark	5.313	3	7	16	13	32 2
Finland	5.160	3	7	16	13	25 5
Ireland	3.744	3	7	15	12	25 3
Luxemburg	0.429	2	4	6	6	43 2
<i>Countries Awaiting Accession</i>						
Poland	38.667	8	27	-	50	4 2
Romania	22.489	6	14	-	33	1 7
Czech Republic	10.290	5	12	-	20	5 18
Hungary	10.092	5	12	-	20	5 4
Bulgaria	8.230	4	10	-	17	1 5
Szlovakia	5.393	3	7	-	13	3 55
Lithuania	3.701	3	7	-	12	2 9
Latvia	2.439	3	4	-	8	2 8
Slovenia	1.978	3	4	-	7	10 80
Estonia	1.446	3	4	-	6	3 8
Cyprus	0.752	2	4	-	6	13 96
Malta	0.379	2	3	-	5	10 42

*Figures for 1999

Source: Magyar Nemzet

QUALIFIED MAJORITY BALLOT

	Current 15 member states	Modified by Treaty of Nice	Modified by Treaty of Nice
Total votes	87	134	342
Qualified majority	62	96	255
Qualified minority	26	39	88

Source: Magyar Nemzet

The Environmental Issues of EU Accession

Of the 31 chapters involved in the accession negotiations, No. 22 on environmental protection is considered as one of the so-called “hard core” chapters. In this regard, it means that a large number

of requests for transitional exemption are expected to be submitted by the majority of the current candidates, including Hungary. Of course, only a limited number of applications backed by appropriate arguments will be accepted by the European Union, so serious bargaining and the tightening of conditions are expected. A description of the background behind the Hungarian requirements follows below.

First of all, a history of the Community's regulations and the development of the requirements are examined briefly. Then Hungary's environmental and nature conservation status and the related statutory and institutional framework are dealt with. Finally, the events directly preceding the accession negotiations and the associated documents are surveyed, and the anticipated impacts of accession on the sector are also evaluated.

1. The Environmental Policy of the European Union

Environmental protection did not figure among the community policies during the initial stage of European integration. Neither the agreement signed in 1951 founding the European Coal and Steel Community nor the one signed in 1957 establishing the European Economic Community contains provisions that are explicitly environmental in nature. Up to 1986, no formal changes had taken place in this regard.

In the late 1960s alternative economic theories questioning economic development as an absolute objective gained increasing importance. Environmental problems such as acid rain and the deterioration of water quality also became more prevalent in this period. Whereas environmental measures and laws had been drafted earlier, responding to the challenges, the Community also began legislative work in this sector from the late 1960s. Even though the founding agreements did not directly provide legal authorization for this, many environmental laws were born in response to Article 235 facilitating legislation for the achievement of the Community's general goals on the one hand, and pursuant to Article 100 of the EEC Treaty ensuring a uniform internal market on the other hand.

At the Paris Summit in 1972 the heads of state and government officially recognized the need to protect the environment, and initiated the launch of Community environmental action programs in a decree. The first action program was started in 1973, followed by four others. The sixth one will be launched in 2001.

Formally speaking, a common environmental policy has only been in existence since the Single Europe Act of 1986, which incorporated an independent environmental chapter in the EEC Treaty. The Maastricht Treaty on European Union signed in 1992 and the Amsterdam Convention signed in 1997 further consolidated the environmental considerations of essential law, as a result of which the requirement for sustainable development and the integrated resolution of environmental problems had become the underlying principles of the founding treaty.

In addition to the action programs defining priorities and key action principles and the ever expanding statutory regulations, the achievement of environmental goals is fostered by financial instruments as well within the European Union. Major resources are available under Structural Funding and the Cohesion Fund, though programs serving environmental purposes either fully (the LIFE program) or partly (R&D framework program) also exist, and loans granted by the European Investment Bank can also be devoted to such ends.

With key rules of law numbering more than 200 environmental law has now become a major part of EC legislation. Several generations of laws have been elaborated over the past decades regarding the same subjects of regulation (e.g., drinking water quality) within the individual applied environmental fields (e.g., water quality protection), specifying increasingly tighter environmental requirements. Significant financial resources are available in the Community, which the Member States must use effectively. How will Hungary be able to meet such requirements?

2. Hungary's Environmental Policy and Environmental Law and Order

2.1. Statutory Background and Environmental Administration

Environmental protection goes back far in Hungary's history; the first protected area was designated as early as 1936, and the protection of natural values continued even after World War II. Prior to the amendment of the Constitution in 1989, which provided basic rights to a healthy environment, Act II of 1976 on the "Protection of the Human Environment" laid down a framework for the environmental law of past decades, based on which additional laws relating to the field have been passed.

From the 1990s onwards, environmental legislation was reviewed under EC law harmonization, and essential new acts and lower-class laws had been created. The Hungarian Parliament passed several acts that defined the subsequent legislation process such as Act LIII of 1995 on the General Rules of Environmental Protection, Act LVI of 1995 on the Environmental Product Fee and the Environmental Product Fees of Certain Products, and Act LIII of 1996 on Nature Conservation. Parliament passed the National Environmental Program by Parliamentary Resolution No. 83/1997 (IX.26.) OGY, which – in harmony with Action Program No. 5 of the European Union – specifies a direction for the further development of Hungarian environmental policy, and defines objectives for six years (1997-2002). The sustainable use and conservation of natural resources is in the long-term interests of the economy and society, thus the national Nature Conservation Plan was adopted along with a general plan relating to the implementation of the National Environmental Program. The legal harmonization program laid down in a government resolution on the adoption of the whole *acquis communautaire* includes an independent environmental chapter, which can be considered as a general development plan for environmental law on account of its annual timetable containing the tasks of law approximation required for EU accession.

A ministry primarily responsible for environmental tasks has been in existence in Hungary since 1987. Its name and jurisdiction have changed. It was initially called the Ministry of Environment and Water Management, later the Ministry of Environment and Land Management, while it is now known as the Ministry of Environmental Protection. The main tasks of the environmental portfolio are to plan general environmental policy and to coordinate the environmental policy measures taken. The implementation of the individual sub-areas of environmental policy also concerns the responsibilities and jurisdictions of other ministries (e.g., the Ministry of Transport and Water Management, the Ministry of Health, the Ministry of Agriculture and Land Development, the Ministry of Education, the Ministry of Economy, and the Ministry of Internal Affairs). The work of the Ministry of Environmental Protection is aided by the Environmental Management Institute, the Environmental Development Institute, and the Environmental Protection and Nature Conservation Inspectorate, with the latter having secondary powers regarding matters of environmental protection and nature conservation.

Supreme powers within the system of environmental administration are exercised by twelve regional environmental inspectorates, nine national park directorates, and twelve regional water management directorates. Collaborating with the former two the latter function under the supervision of the Chief National Water Management Inspectorate (and indirectly under the supervision of the Ministry of Transport and Water Management), albeit within a separate organization.

In addition to the central administration and its regional bodies, the local self-governments in Hungary also play a major role in environmental protection and nature conservation. Among other things, they are responsible for the operation of the drinking water and sewer networks, the management of communal waste, and they are the ones who designate and protect natural areas of local importance.

It is evident from the foregoing that environmental protection received a modern legal and institutional background after the change of the political system. It follows from the text below that

the overwhelming majority of the EU conforming laws pertinent to the applied fields have also come into force or are about to be proclaimed. The current objective is to continue implementing the laws and strengthen the enforcement system, in accordance with the expectations of the EU yet in line with Hungary's idiosyncrasies.

2.2. Hungary's Environmental Status

Internationally speaking, the condition of Hungary's environment is considered relatively favorable. The forceful development of industries severely loading the environment was less marked in the previous decades, and with the recession of heavy industry, the transformation of the production hierarchy, and a drop in consumption during the change of government, the condition of the environment improved noticeably. The country's energy consumption also dropped considerably in the early 1990s, which also had a favorable impact on environmental loading. A significant reduction in the quantity of pesticides and fertilizers used over recent years has also contributed to conserving the environment in a relatively good condition. This is primarily attributed to a decline in agricultural production.

There are contradictory processes also happening in parallel with the positive developments. Many players of the economy still employ outdated technologies that severely pollute the environment. At the same time, foreign direct investments that play an increasingly greater role in generating GDP (green field investments in particular) bring highly-developed technical and environmental standards into the country. With regards to transport, an improvement in fuels and in the quality of the vehicle fleet had a positive impact on air quality, whereas increasing motorization and the relegation of mass transit to the background resulted in increased environmental loads.

On the whole, Hungary is in a more favorable position than many developed Western European countries on account of lower overall production and consumption levels in terms of per capita emissions – because this is what determines environmental loading after all. The objective is to prevent the rise in economic output from causing us to gradually lose our relative advantage, i.e., “pollution approximation”. This is possible through compliance with the strict, EU-conforming environmental regulations. New investment projects should comply with the new standards already at the licensing stage. A brief period, defined by law in accordance with the economic load-bearing capacity of existing plants, is available for their transition. After the expiration of the forbearance period non-compliance with the environmental standards entails the closure of the plant concerned. Hungary's key environmental tasks focus on three areas, namely air quality protection, water quality protection, and waste management. A major part of the infrastructural projects should be implemented in these areas. The status of the above-mentioned three areas is examined in detail below, though the situation of the rest of the special areas is also dealt with.

2.3. Air Quality Protection and Noise Prevention

Air pollutant emissions have dropped significantly since 1990, and the environment's air quality has also improved. The aforementioned drop in Hungary's energy use (from 1,344 petajoules in 1990 to 1,053 petajoules in 1997), regulations pertinent to motor vehicles, and tightened fuel quality standards (for example, no leaded fuel may be sold since April 1999) all contributed to this in a major part.

As far as the major pollutant types are concerned, it can be stated in general that Hungary is in a rather good position considering the OECD average for per-capita pollutant emissions. Total sulfur dioxide emissions fell by approximately one third between 1990 and 1997, and continue to exhibit a downward trend. The quantity of particulate matter in the air also decreased by nearly one third during the above period.

The situation regarding NO_x emissions is healthier, as their volume decreased by slightly less than one fifth between 1990 and 1997, whereas an upward trend is observable in this area. The per-capita NO_x emissions are half of the OECD average. Carbon monoxide and CO₂ emissions fell at

rates approximating that of NO_x. The use of CFCs and halons harmful to the ozone layer has ceased in Hungary.

The fundamental problem in the field of air quality protection is that half of the population resides in areas falling into the polluted or moderately polluted categories, however, this area merely makes up approximately one eighth of Hungary's territory. Continuous economic growth calls for further air quality protection measures.

Detailed air quality regulations have been in existence since 1986, which have been considerably tightened in 1990 and 1991. The regulations pertinent to large-scale firing equipment have been EU compliant since July 1998. New, fully harmonized air quality protection laws will be passed in early 2001. Partly financed using Phare support, the updating of the air quality control network – currently operating with some 140 monitoring stations – is underway. The data has been evaluated by an integrated air quality data processing center since 1999.

2.4. Waste Management

Approximately 75-80 million tons of waste are generated in Hungary each year, and this includes all wastes. This more or less corresponds to the European Union's average. This statement holds true even in terms of the proportions represented by the various kinds of waste. The fact that the Hungarian classification system is tighter than that of many countries (e.g., red mud is classified as a hazardous waste in Hungary even though it is not in many OECD countries) poses a problem when comparisons are made on an international scale in terms of quantity and proportions.

Out of the total waste quantity treated liquid communal waste accounts for some 5-6 million tons per year while solid communal wastes amount to 4-5 million tons per year. An additional approximately 65-70 million tons per year comprise industrial, agricultural, and other production wastes. Within this group the wastes generated by agriculture, forestry, and the food industry that can be potentially recycled using biotechnology amount to around 30 to 35 million tons. Within production wastes the quantity of hazardous wastes generated totaled 3.5 million tons per year, of which red mud – a byproduct of alumina production – amounted to approximately 0.5 million tons per year.

The passing of Act XLIII of 2000 on Waste Management – which is fully in line with the Community's regulations – and the adoption of its executive decrees resulted in the creation of a reliable waste database, and an appropriate action program was devised on its basis in the first half of 2001. In addition to the enforcement of the priorities of prevention and recycling prescribed by law the objective is to establish around 100 regional waste dumps in the Country, which fulfil the environmental requirements and can efficiently and economically service several communities on account of their regional nature.

The rules applicable to hazardous wastes are based on the Basel Treaty and meet the OECD's recommendations. The difficulties connected to enforcement are nonetheless significant. For example, the treatment of an estimated 100 million tons of hazardous waste – generated over decades and currently stored in the temporary facilities of plants – must be carried out.

2. 5. Water Quality Protection

The fact that 95% of the surface waters enter Hungary from neighboring countries is of key importance and demonstrates the need for environmental cooperation on a regional scale. The overall improving environmental trend so prevalent in the 1990s was also noticeable in the improvement of surface water quality, and this holds true even for Lake Balaton. An advanced system is in operation for monitoring surface water quality in Hungary. Almost the entire population has clean, piped water. The available water capacity is utilized to a low degree, which is advantageous in terms of the long-term conservation of our water resources.

The implementation of sewerage and water treatment requires the greatest investment among the communal utilities. Only 60% of the population reside in areas with a sewer network and just 22%

are connected to water treatment works, which lags far behind the OECD average.

The plants concerned should elaborate and execute pollutant reduction programs for the benefit of protecting surface and subsurface waters. The situation is expected to improve with the passing and enforcement of up-to-date, EU conforming laws (e.g., Government Decree No. 33/2000 on the Protection of Subsurface Waters), however, the Country's economic and social load-bearing capacity should be taken into account in this sense as well.

2.6. Other Sectors

Regarding so-called horizontal regulations Hungarian legislation – being a complex system relying on several rules of law – meets the Community's requirements pertinent to accessing environmental information. Since 1995 the regulations relating to environmental impact studies fulfil the legal approximation requirements, as well as the provisions of the Espoo Treaty since 1999. Since its most recent amendment in January 2001 the Hungarian decree is fully compliant with the relevant guideline.

Hungary has achieved significant results in the area of nature conservation. The diversity of the flora and fauna and the large number of natural habitats and communities in the country is exemplary. A standard national parks network – now covering the entire country – whose history goes back several decades is in operation. Nine percent of the country's territory is protected by law. Some 42,000 animal and approximately 2,200 vascular plant species occur in Hungary. Hungary enriches the European Union with hundreds of species that are either endemic or mostly occur in this country. The Hungarian regulations essentially meet those of the Community, and currently the most important task is to designate and protect areas making up part of the Natura 2000 ecological network.

Estimates show that nearly 40% of Hungary's population resides in areas where the ambient noise is higher than desirable. It can be established that most of the complaints result from noise emitted by plant facilities and high-traffic roads. The application of the Hungarian noise limitation laws – in force since 1983 and amended several times – brought about significant results in noise and vibration protection, however, the laws need to be updated in several regards because of the socioeconomic changes that took place in recent years. It should be noted that even the Community regulations defining the permissible noise emission levels of machinery are under transformation in the very direction of the comprehensive, so-called immission-based, noise prevention policy currently being enforced in Hungary.

Regarding industrial effluent limits Hungary will begin to employ the so-called IPPC requirements in conjunction with an integrated environmental licensing system as of 2001, as well as the so-called Seveso II accident prevention and risk management guideline with respect to which Act LXXIV of 1999 and its executive decrees about to be promulgated contain provisions on EU conformity.

The Hungarian laws exhibit a high degree of harmonization regarding chemical substances and genetically modified organisms, nuclear safety, and radiation protection. The appropriate legal frameworks have been set up (Act CXVI of 1996 on Nuclear Energy, Act XXVII of 1998 on Genetic Technology, and Act XXV of 2000 on Chemical Safety), and the majority of the decrees issued for their execution have also been proclaimed. In certain special areas, though, further executive decrees will need to be drafted in 2001.

3. Hungary's Accession to the European Union

3.1. The Route to Environmental Negotiations

Environmental cooperation and the related requirement for the mutual supply of information appeared as early as 1994 in a European Treaty between the EC and Hungary, promulgated in Act I of that year, however, there was no mention in that document about the steps required to be taken

for full EU membership. Hungary submitted its membership application to the European Union on 31 March 1994.

Representing a pivotal point for defining legal harmonization tasks, the so-called White Book – adopted at the 1995 EU Summit in Cannes – contained community laws whose acquisition will allow the applicants to meet the requirements of a common internal market and ensure its smooth operation. The White Book contained only part of the Union's full body of environmental laws. It essentially contained rules of law calling for equal investment levels by companies, thus ensuring competition under equal terms by the enforcement of the "four freedoms" (persons, capital, goods, and services). At this point it was not clear how stringent the member states' expectations would be with respect to the Central and Eastern European candidates regarding the adoption of and compliance with environmental standards.

In 1996 the European Commission sent detailed questionnaires to all countries intending to join, including Hungary. According to the Commission's assessment the environmental problems in Hungary are less severe than in other countries of the region, and the full adoption of the Community's environmental acquis could succeed in Hungary in the middle term based on the current trends. In certain areas (such as the aforementioned air and water quality protection and waste treatment), however, Hungary will only be able to meet the requirements in the long or very long term. Compliance essentially depends on changing the makeup and instruments of the justice system, the concurrent application of the national environmental accession strategy, and growth in public and private investments.

The European Council's Luxembourg session held in December 1998 made a decision to start the expansion process. Pursuant to the Council's decision, accession negotiations would start with the best prepared 5+1 states, including Hungary, in Brussels on 31 March 1998. The initial – technical – phase of the accession negotiations, constituted the so-called acquis screening process, essential for conducting the actual negotiations and intended to evaluate how harmonized the Hungarian and the Union's laws are. The environmental chapter was screened over the course of three multilateral and three bilateral rounds held in the first quarter of 1999.

Hungary submitted its environmental negotiating position containing its transitional exemption requests in July 1998 in Brussels. Following the acceptance of the Union's common environmental position (November 1999) it was possible to open the section concerned during the discussion of the chapter. This happened during the fourth, ministerial round of the Intergovernmental Conference in December 1999. Hungary responded to the issues raised by the EU's common position in July 2000. The EU's second common position was adopted in the light of the responses, in December 2000. This month also saw the second ministerial round of negotiations. A few months later, in Nice, the European Council ratified an expansion schedule according to which the temporary closing of the environmental chapter could take place in the first half of 2001.

3.2. Tasks of Accession

A screening list – prepared by the European Commission, completed by Hungary, and constantly renewing and expanding as a result of the progress in community law-making – which included 213 rules of law in the environmental chapter as of late 2000 is of key importance regarding preparations for EU membership. Candidate countries would mark on the list when the harmonization of the individual Community laws would take place, and which ministries are responsible for their preparation. The European Commission is thus able to monitor progress in law approximation.

The program for law approximation is the legal harmonization program laid down in the government resolution mentioned in Clause 2.1, which defines Hungary's tasks in harmony with the screening list constituting a commitment on the part of Hungary towards the Union. Once the laws are passed they should be enforced, and this essentially requires the reinforcement of the supervisory bodies and the development of environmental infrastructure. The National Program for

the Adoption of Community Acquis contains a more detailed description of the applied fields. In addition to legal harmonization programs it includes detailed descriptions of institutional development and investment programs as well including resource requirements and a mention of staffing development plans. The enhancement of the population's environmental conscience and access to environmental information are key objectives.

The European Union also desires to provide guidance in the course of the preparations. The objectives, tasks, and the associated means are formulated for candidate states in so-called accession partnerships. Accession partnerships consist of two elements: priorities determined by the Community regarding preparations for accession, and a chapter containing the financial aid to be granted for their fulfillment. The Community is contributing to the preparations by means of the Phare fund and also the pre-accession funds of ISPA and SAPARD as of 1 January 2000. ISPA is supporting the achievement of transportation and environmental goals in particular by granting EUR 44 million in 2000 and possibly in 2001. In terms of its criteria and functioning this fund resembles the Cohesion Funds of the member states.

The professional preparation of the project proposals is testified by the fact that Hungary managed to utilize its full year 2000 budget with seven sewage treatment and waste management projects by late 2000, moreover, one project has even been slated to utilize the funds earmarked for 2001.

The fact that Hungary is able to participate as a full member in the EU's 5th Research and Development Framework Program (from 1998 to 2002) and its environmental sub-program is equally advantageous. In early 2001 Hungary will join the European Environmental Protection Agency, which carries out environmental information activities, as well as the LIFE III program, which provides assistance in the financing of certain environmental protection and nature conservation development projects.

3.3. Temporary Exemption Requests

Hungary has defined its environmental preparation strategy as follows. In order to meet the requirements set by the European Union, it intends to adopt and execute the environmental laws as soon as possible on the one hand, and it intends to set the Hungarian economy on a course of growth meeting the criteria of sustainable development on the other hand. The incorporation of Community laws in the Hungarian legal system and the institutional development required for enforcing the laws must be completed by the proposed date of accession, i.e., by 1 January 2003. Execution must be ensured in accordance with the economic alternatives available, regarding rules of law relating to the internal market and cross-border pollution. When scheduling execution investments which bring the greatest benefit to the environment and are the most cost-effective should be given priority. More dramatic economic growth or a structural transformation of the economy favoring the environment, of course, could even afford the possibility of accelerating the approximation process.

Even though the condition of the environment in Hungary is in many regards no worse than in the EU member states the costs relating to compliance with the Community's demanding environmental regulations run quite high. The required exemption periods pertinent to the application of the laws correlate with the financial alternatives of the central budget and the local self governments, the problems associated with the population's living standards, and in a minor part with the limitations of the adaptability of certain small enterprises. The requested transitory exemption periods are generally no longer than the ones granted to the current member states in the course of executing the rules of law.

Nine transitory exemption requests figured in Hungary's negotiating position passed in the summer of 1999 covering the subjects of waste management, water quality protection, industrial pollution limits, and risk management. It should be noted that the requests may change during the course of the negotiations, however, none have been officially announced so far.

Waste Management

Regarding the recycling of packaging waste it can be said that a collection rate of just 25-35% and a somewhat lower recycling rate is achievable with the currently operating product fee-based system. A transitional exemption period is necessary up to 31 December 2005 in order to devise a system that is capable of realizing a 50% collection rate as a minimum, and the prescribed recycling rate. Regarding the incineration of hazardous wastes the fulfillment of the EU's requirements can only be achieved through modernization or the complete replacement of the technology due to the inadequate technologies employed in incinerators currently operating in Hungary, the complete or partial absence of flue-gas scrubbers, and the non-existence of constant monitoring for incineration technology. A request for a temporary exemption period up to 30 June 2005 relates to this.

Water Quality Protection

A transitory exemption period is needed regarding communal sewage treatment issues because of the associated investment requirement (up to the following dates: 31 December 2009, 31 December 2010, or 31 December 2015 depending on the equivalent population and the degree of treatment). Temporary exemption is required concerning the emission limits of certain hazardous substances into the surface waters (e.g., up to 31 December 2004 for mercury emissions associated with chlor-alkali electrolysis, up to 31 December 2005 for certain cadmium emissions, and up to 31 December 2009 for certain chlorinated hydrocarbons used as solvents) because the preliminary impact studies have shown that most of the plants concerned require a technology change or a major investment in sewage treatment facilities.

In the case of the guideline pertinent to the protection of subsurface waters Hungary has requested transitory exemption until 31 October 2007 regarding existing emissions, which was merited by the high cost of developments aimed at eliminating or reducing sources causing pollution in the subsurface waters.

Industrial Pollution Limiting and Risk Management

Hungary undertook to fulfil harmonization with the IPPC directive by 31 December 2001 at the latest. From then on all new equipment must meet the Community's requirements, while existing facilities must adapt by 30 October 2007. In the European Union, facilities are considered as "existing" up to 30 October 1999, and these must likewise adapt by 30 October 2007.

Regarding the limiting of air pollutant emissions from large-scale firing equipment Hungary has requested transitional exemption in respect of existing equipment, as the required investments and operating costs would put a major financial burden on the companies concerned. When establishing emissions limiting programs for equipment qualifying as existent and licensed between the effective dates of the Community law (1 July 1987) and the harmonized Hungarian rule of law (11 July 1998) in Hungary, the total national emission value and the percentage of reduction – thus the exact content of the exemption requirement – must be defined in the course of consultation with the European Commission.

In conjunction with the guideline on the prevention of severe industrial accidents involving hazardous substances and the minimization of risks (Seveso II) and likewise regarding the application of regulations pertinent to existing equipment Hungary has requested temporary exemption until 31 December 2004 (the deadline prescribed in the Guideline is February 2002). This was justified by the costs and time needed for establishing the technical conditions for enhancing safety and the implementation of the internal contingency plans.

Pursuant to the guideline on the prevention of air pollution originating in industrial facilities, equipment that had been in operation or had been established or licensed prior to 1 July 1987 qualify as existing equipment within the European Union. Hungary desires to include its plants in the "existing facility" category until the harmonized Hungarian rule of law enters into force, i.e., by 31 December 2001 at the latest, since the majority of Hungary's industrial companies will not be

able to meet the requirements unless this is ensured.

3.4. Costs

According to the Hungarian government's estimates the long-term environmental investment demand for full compliance with the *acquis communautaire* will amount to some EUR 10 billion. The literature also includes lower (World Bank, a 1998 estimate of between EUR 5 and 10 billion) and higher figures (EDC Ltd.–EPE asdl., 1997: EUR 11.5-13.7 billion). Costs associated with communal sewer installations and sewage treatment account for approximately one third of this figure. In the light of current trends certain areas such as sewage treatment will require 5-10 years to catch up even given the significant financial expenditures relative to the limited resources available. With prolonged economic growth of 4-5% per annum and increasing environmental expenditures, though, the objectives can be achieved.

Only "existing facilities" can expect a grace period for conformance, though, and for a brief period only. Even now Hungary cannot be accused of committing "environmental dumping", since the expenditures relative to the GDP are relatively high, and the Hungarian environmental laws are already significantly compliant with the *acquis*.

3.5. The Impact of Hungary's Accession

The European Union's environmental average is not expected to deteriorate once Hungary joins. On the contrary, our accession will rather improve it in certain areas. Hungary's biodiversity will enrich the Union by all means, and the expansion will create new, growing markets for the European Union's developed industries.

The adoption of tight Community standards in Hungary will improve the state of the environment or otherwise help preserve its existing values. With the accession of new members the "environmental stability zone" would expand even further eastwards, which is of key importance for the current member states because of pollution's habit of spreading across borders. Investment projects will, of course, put major burdens on Hungary's economy and society but this can be made bearable by appropriate transitional exemption periods and effectively used Community support. On the whole, accession will hopefully bring about mutually positive results in the field of environmental protection as well for both the European Union and Hungary.

Flow of Hungarian Labor Force in the Light of Hungary's Accession to the European Union

Well-known are the European Union's and some of its Member States' concerns in the field of the free movement of labor force, as well as their intent to define a temporary period for the countries – including Hungary – to join in the chapter of negotiations about the free flow of people. This is one of the highly 'sensitive' issues at the negotiations being held on accession between the European Union and the Central and Eastern European countries aspiring for membership regarding the accession of the latter. The analyses that Hungarian and foreign experts have made so far may, however, clearly lead one to the conclusion that the impact of the free movement of labor force on the Community's labor market will not resolve any economic or social problems, nor will it jeopardize the labor market either in Hungary or in any of the candidate member states.

Free Flow of People Within the European Union

One of the main objectives of the founders of the Treaty of Rome signed on 25 March 1957 was to

promote the flow of labor force among the member states of the European Economic Community. The free movement of people is one of the Community's four major freedoms, which has made it a high priority among the Community's policies. In the beginning, individuals were primarily considered as economic factors, thus the free movement of people had to be ensured so that employees within the Community could reach places where their work was most highly demanded. Although the free movement of people was originally facilitated for purely economic reasons, the principle of free movement was – even in the beginning – more than a matter of regulating economic issues. The founders' political objective was for the principle of free movement to foster the increasingly tighter relationships between the Member States' peoples. The free movement of labor force has, however, been common practice within the Community since only as recently 1 January 1969, i.e., only after a transitional period of twelve years did the citizens of the Member States also have the opportunity to move freely. Moreover, under the Community's law, up to 1972 no economically active group, whatever category they belonged to, other than the labor force had the right to migrate freely. It became obvious at the same time that, in order to ensure free movement, the Member States would have to coordinate other areas as well. Therefore, from 1968, social security coordination and the mutual recognition of diplomas and professional qualifications were gradually commenced in order to promote the enforcement of free movement.

The idea of applying a temporary period also arose upon the accession of new Member States because the European Community stipulated a transitional period for the introduction of the free movement of labor when the southern countries joined the Community. Thus, on the accession of Greece in 1981, as well as of Spain and Portugal in 1985, certain restrictions related to the movement of labor remained in effect for six years. At the same time, experience showed that migration from the region did not significantly increase even after such restrictions had been lifted, i.e., the application of provisional restriction was not really justified.

A summary of the Community's effective law applicable to the free movement of people follows below. The Community's primary legislation originally applied to the free movement of the labor force, as well as to the freedom to settle down. While the former governs employees, the latter one is applied to independent entrepreneurs, tradesmen (individual and incorporated firms) and self-employed people. The content of freedom as provided for in the Treaty of Rome essentially concerns the prohibition of any discrimination against any of the Member States' citizens during the temporary period defined in the Treaty. The Union's Maastricht Treaty, signed on 7 February 1992 as a result of the further development of that essential right, introduced the institution of Union citizenship (active and passive voting rights at local governments elections and in the European Parliament, the right to turn to an ombudsman, and the opportunity to use any other Member State's representations in a foreign country), and announced that each and every citizen of the Union has the right to move and to reside freely in the Member States' territories, under the limitations of the Maastricht Treaty. By making policies on visas, rights to refuge, and the flow of people become parts of the Community's primary legislation in relation to individuals' free movement regarding their control at external borders, crime prevention and law enforcement, the amendments to the Treaty of Rome by the Amsterdam Treaty made judicial cooperation in civil issues, as well as the enhancement of the cooperation between Member States' public administrations also parts of the same legislation.

The Community's secondary law was also developed gradually, and in the beginning it was restricted mainly to providing a background for employees' rights to move and settle down. Accordingly, it was mostly the recognition of professional qualifications and guidelines concerning corporate law that were the earliest to develop. Simultaneously, the legal area governing migrants' social safety also gradually evolved under the provisions of the Treaty of Rome on the coordination of social security systems.

As a partial entitlement in the beginning for the labor force to move freely, the right of residence – which has become quite extensive by now – was formed on the basis of the Community's primary legislation providing for the formation of a single internal market by 31 December 1992. Today

some of the Community's directives apply not only to the residence rights of pupils, university students, and pensioners but also to those Union citizens entitled to move freely, who have a sufficient financial background to fund their stay.

In accordance with the principle of the free movement of individuals, citizens of the Member States may work jobs or pursue entrepreneurial activities in any place within the Community, enjoying the equal treatment every other citizen of the Member State is due and without being discriminated against because of their citizenship.

Under the primary and secondary law, the Member States may impose restrictions on the right of free movement. The most significant restriction is that the right of free movement is due to the citizens of the Member States only. The restriction whereby employees and self-employed individuals among such citizens may only enjoy this right has apparently been fading away since the early 1990s. However, the Member States are still reluctant to introduce an "overall entitlement" that would be due to everyone. The Treaty of Rome also applies another restriction whereby the principle of free movement does not apply to public services. This exception excludes a decisive majority of public job holders, such as teachers, nurses, local government officials, sailors, researchers, etc., from the scope of free movement. In other words, no equal treatment shall be granted to other Member States' citizens regarding these jobs. With a significant part of the Community's employees working in the public sector, it significantly narrows down the circle of employees who enjoy the right of free movement.

The Directive on the movement and residence of foreign citizens provides for another group of exceptions. Under the Directive, the free movement of individuals may be restricted if justified by law and order, public safety or public health. Measures taken based on law and order, public safety or public health cannot serve economic purposes. Decisions regarding specific individuals should be made solely and exclusively based on "the personal conduct of the individual in question".

Analyzing the statistics, one can establish that the migration of the labor force within the European Union is far from outstanding despite the favorable regulations, i.e., even the recent decades have not witnessed a massive migration of the labor force. Employee mobility has dropped in particular since the economic crisis in the 1970s. The number of migrating employees in 1984, including border zones, dropped 1958 levels, which means that 2 million (5 million including family members) people "migrated" between Member States within the Community in the early 1980s. The latest calculations show that internal migration has been growing evenly over the last fifteen years, the proportion of foreign employees in the European Union's global labor market rose from 6.1% in 1986 to 6.5-7% in 1996. A survey conducted by EUROSTAT shows that the ratio of foreigners in the European Union, with a population of approximately 380 million, is about 4.5 to 4.8%, which is 16 to 18 million people; but only 35% of them (5 to 6 million people) are citizens of a particular Member State.¹

Hungarian Employees in the Member States of the European Union

Hungarians are present in several countries around Europe and the world, but their number is insignificant, either in any of the host countries' population or in relation to the foreigners living there.² There has not been any significant emigration from Hungary for a long time, and, especially due to the limited job opportunities, exceptionally few (approximately 25 to 30 thousand) Hungarians work – legally – in Europe.

The Association Agreement between Hungary and the European Union that entered into force on 1 February 1994 has not facilitated active movement for the labor force. The Agreement referred the regulation of such labor force movements to the bilateral relationships between Hungary and the various Member States. The approximate number of the Hungarians working in the Member States of the European Union is given in the quotas of the bilateral agreements.

In this sense (and including the roughly 9,000 Hungarian employees³ working in Austria under an Austrian internal quota), it is clear that the overwhelming majority (i.e., 20 to 22 thousand people)

of Hungarians staying with a work permit in Europe work in Germany and Austria.

The fact that even in Austria, the Union's Member State employing the most Hungarian employees, Hungarian nationals represent only some 3% of the total foreign labor force clearly illustrates the magnitude of the Hungarian labor force's current migration. Moreover, it turns out from a breakdown by territory and by job type that Hungarian employees are concentrated primarily around Burgenland, Lower Austria, and Vienna which, thus, corresponds to 40%, 20% and 20%, respectively, of Hungarian employees working in Austria. So, these three regions absorb more than 80% of the Hungarian employees in Austria.

The cooperation in labor affairs between Austria and Hungary is exemplary in many respects in this area. Under the agreement on commuting in the border zones, made between the two countries as early as in 1998, of the annual 550 people 250, 120 and 180 individuals took jobs in agriculture, tourism and in other positions, respectively, in 1999, and the quota was raised to 900 people from the beginning of 2000. The agreement also allows that "considering the position and the development of the labor market, each party may suspend the agreement temporarily, wholly or partly". The quota for 1999 was exhausted, and both the Austrian employers and the Hungarian employees warmly welcomed the agreement.

Thus, neither Hungarian, nor international studies support the political or economic concerns of the Union or the Member States of a massive migration of the labor force. The findings of the Hungarian studies forecast a low and stagnating, i.e., 3-4%, willingness to work abroad for a specified duration and a 1-2% willingness to emigrate. The index, called the "migration potential", which shows Hungarians working abroad for a brief or extended period along with emigration, has remained unchanged for several years, it is about 6% even while Hungary is closer to its accession with the EU. According to the results of a survey conducted among young Hungarians, 52% of them have already considered continuing their studies abroad while 55% of them have thought of working abroad as a potential long-term prospect.

An important conclusion to be drawn from that survey is that hardly more than one third of the most mobile social group – aged between 15 and 20 – have more or less well-developed ideas about migrating, which, understandably, results in a higher proportion of them than adults that consider living abroad for a short or longer period. Typically, however, they fundamentally regard working abroad as a means that helps them achieve their goals faster in Hungary.

The strongest motivation for working abroad, by the way, is someone's intention to migrate in the given individuals' environment and their own previous experience. The economic and living-standard-increasing effect of migration⁴ is much lower than that, although the younger and the higher qualified someone is, the more likely is their intent to migrate. Men, students and the unemployed would take some jobs abroad with pleasure while poverty and Romany origin do not increase migration potential. The impact of psychological factors is insignificant but satisfaction with health and the belief in the skill of finding one's ways around the 'things of the world' have stimulating impacts on migratory plans. According to the combined effects, measured using several factors, it is not dissatisfaction with living standards (or with the future or an economic or political situation) that mostly enhances Hungarian people's willingness to migrate. In other words, such intentions are rather driven by a "welfare" migration based on taking advantage of opportunities and the desire for a better life rather than an escape that some repelling forces might cause.

It is therefore necessary to discuss the argument most frequently voiced by Member States in relation to their concerns about the labor force's movement, i.e., the issue of wage differences. Our relative lag behind the EU average is less regarding Hungary's level of economic development than in terms of wage level. At purchasing power parity, the Gross domestic Product per capita in 1999 approaches 50% of the EU's average, while wages achieved around 30% only. Hungary's GDP ratio as compared to the EU, however, can be considered better now than that of Portugal upon its accession. Lower Hungarian wages, however, are not accompanied either by low social benefits or low labor standards. Hungary does comply with the internationally recognized social and labor standards. Hungary has joined all the labor conventions of the International Labor Organization

(ILO), which embraces basic human and employees' rights. It has recently ratified the Social Charter of Europe, and will, by the time of its accession, have adopted and applied the Community's social welfare achievements. The level of Hungary's social welfare services is not lower than justified by the level of the country's economic development. On the contrary, as was shown in the OECD's country report in 1997, the proportion of Hungary's social security expenditure is one of the highest among the OECD countries.

Also note that our lag relative to the EU average is approximately as much as the difference between the Member States with the lowest and the highest wages, while our backlog as compared to the EU Member States with the lowest wages is much less than the differences between Member States, i.e., the difference between the Member States with the lowest and highest indicators.

The effect of wage differences, not decisive by themselves but occasionally capable of orientating in certain circumstances, has been fading with a most recent piece of the Community's legislation on labor issues, Directive 96/71/EC on employees delegated abroad in the framework of providing services, whereby employees delegated to another Member State by a business organization should be granted the same labor conditions that prevail in the host country, with this requirement also applicable to wages.

The alignment of Hungarian wage levels to those of the European Union can be realized – subject to the country's prevailing economic situation – as an integral part of Hungary's general economic alignment, on the longer term. The expected increases, in excess of the EU average, in the Hungarian GDP and productivity provides an opportunity even in the short term to raise real wages above the EU average and, thus, to approach EU wage levels. The alignment will be realized in a differentiated way. Such a trend with changes in the proportion of Hungarian earnings is already observable (e.g., companies with foreign owners, managers, and highly qualified professionals). In the competitive sector, the alignment will have to take place automatically, in line with changes in output.

Migration Into Hungary

According to work permits, some 20 thousand foreigners work in Hungary today (23,486 people in 1999), as compared to the 25 to 30 thousand Hungarian employees working abroad. Nearly half of these foreigners (11,462 people) come from Romania, while more than a quarter of them (5,364 people) are from EU Member States and from overseas. But the actual number of foreigners working in Hungary legally must be significantly more than that according to the OECD SOPEMI Report, 1999. For example, their number was estimated to be between 90 and 92 thousand in 1997. Activities and positions for which no work permit is required vary greatly and are high in number. Entrepreneurs, highly qualified professionals, artists and scientists, for instance, are not required to hold work permits. According to the OECD study, Romanian nationals represent the largest share (more than 40%) in an estimated distribution by country of origin, of foreigners working in Hungary, while 10-15% of such foreigners (cca.12,000 people) are the Union's citizens.⁵

It is a well-known fact that a considerable number of ethnic Hungarians live over almost every section of the Hungarian border. To improve the relations with the neighboring countries, and particularly to stabilize the situation of the Hungarian minorities living there, Hungary's political circles made significant efforts over recent years. For the sake of its EU membership, Hungary must not risk its more or less significant achievements, among other things the movement of labor force, by strictly closing its borders as required. Migration into Hungary, due to its unfortunate characteristics, will have to be addressed before the negotiations about Hungary's accession, at least by clearly outlining the country's main endeavors.

Regarding the issue of migration, Hungary can realistically expect that, as previously, Hungarians living over the border will represent the decisive proportion of immigrants until Hungary's EU membership. The majority of illegal migrants, who presumably outnumber legal ones by multiples, is also typically made up of Hungarians living over the border, who usually commute. After working

in Hungary for a few days, weeks or months, they return home then come back again. Despite tighter controls destined to filter out illegal labor, it is mostly a modest part of those employed in the organized economy (i.e., construction companies, the catering industry, etc.) and of those doing extended seasonal work in agriculture that can be found in this way. Those, however, who take odd jobs in the non-organized economy (households) simply cannot be found by such inspections. A violent interruption of migration into Hungary can, apart from its economic drawbacks, be the source of serious political conflict. Hungary cannot give up firmly advocating Hungarian interests concerning this issue. It will have to find the best possible compromises both with the countries concerned (Romania, Slovakia) and the representatives of the Hungarian organizations in these countries, as well as with the European Union. Legal and illegal immigration to Hungary (for the purposes of work) is essentially a Hungarian-to-Hungarian issue, which cannot be addressed in any other way.

If the countries outside Hungary where the vast majority of Hungarians live do not become members of the European Union in the first round, strict border regulations will essentially come into effect. Significant diplomatic efforts will, therefore, be needed to prevent another “iron curtain” from being built between Hungary and the countries concerned, and to ensure that Hungarians living outside the territory of Hungary are not deprived of the job and earning opportunities they have established over several years. Carefully elaborated agreements are presumed to be acceptable for the Union as well, particularly if it is guaranteed that the only Hungary is the destination country, and the migrants may not leave the country for any of the European Union’s Member States.

In addition to the Hungarians living over the border, employees from any of the EU Member States or from the countries expected to join the Union at the same time or later than Hungary (such as Poland, the Czech Republic or Slovakia) may also essentially appear on Hungary’s labor market. Apparently no masses of foreigners, however, are likely to flood the Hungarian labor market today. The living standards and wage levels in the EU Member States that, in most cases, exceed those in Hungary by magnitudes, as well as a lack of the knowledge of the Hungarian language do not really make work in Hungary attractive. It is not impossible, however, that plants built near the Austro-Hungarian border will create jobs for those living in the border zones. The number of those employed by foreign companies (belonging to the parent company) will probably rise to a reasonable extent. The appearance of the Polish labor force is a further open question. Thousands of Polish miners and construction workers worked in Hungary in the 1970s until the mid-1980s who are familiar with the country (which enhances their migration potential). Due to the lack of legal job opportunities, however, their massive presence cannot be expected. Therefore, the migratory balance would find a slight Hungarian migration outward more probable.

Those who have settled down in Hungary as entrepreneurs, however, may pose another problem. Today practically every activity done in the framework of a non-incorporated company, i.e., as an individual entrepreneur or an deposit partnership, may be pursued only if one holds an entrepreneur’s card. It shows that the Hungarian (taxation) practice has opened the scope of individual enterprise extremely wide (including e.g. peddling agents, those collecting produce in a forest, cleaners, and accountants, etc.) which makes it possible practically for everybody who holds an easily obtainable entrepreneur’s card to settle down in Hungary.

Despite the improbability of a massive migration from the countries of the European Union, it would be serviceable to review, along with the freedom to reside, our regulations concerning the operating conditions (such as professional aptitude and health requirements, etc.) of those who wish to settle down in Hungary on such legal grounds; by defining the actual circle of entrepreneurs more clearly.

By Andrea Borbély and Csaba Zalai

Table 1. Bilateral Contracts for the Flow of the Labor Force

Country	Treaty	Quota
Austria, Entry into force in 1999	Exchange of trainees	400 people annually
Commuting in frontier zones	900 people annually	
Germany, Entry into force in 1990	Individual employees	2,000 people annually
Contractors' agreements	cca. 6,600 guest workers annually	
For seasonal work*	cca. 3,500 people annually	
Luxembourg, Entry into force in 1997	Exchange of trainees	20 people annually

* A practical opportunity without a bilateral agreement.

Table 2. Foreigners and Hungarian Employees in the Austrian Labor Market (1997-2000)

Year	Total in Austria:	Percentage of the Austrian labor market	Of whom Hungarians	Percentage out of for
1997	298.8	9.78%	9,158	
1998	298.6	9.71%	9,185	
1999	305.8	9.85%	9,700	
2000 (10 months)	326.1	10.34%	10,689	

Source: ÖSTAT 2000.

¹Source: OECD SOPEMI Report, 1999.

² According to the OECD SOPEMI Report, 1999, the number of Hungarians living in Europe (those living in the neighboring countries excluded) is 78 thousand, most of them (57,000) in Germany, some 10,000 in Austria, nearly 4,000 in Switzerland, and nearly 3,000 both in France and Sweden. At the same time, almost 200,000 Hungarians live outside Europe, 110,000 in the USA, 57,000 in Canada and 27,000 in Australia.

³ Note that 6,260 employment permits out of the total 8,457 issued to Hungarian citizens in Austria in 1999 (i.e., 74%) applied to the areas of forestry and agriculture, while 1,149 work permits (13%) were issued in the area of tourism. (Source: Arbeitsmarktservice 1999.)

⁴ International experiences and studies also show that wage differences alone do not represent a sufficient migratory pressure. Based purely on wage-related arguments, the more than fivefold difference between the average wages in Portugal and in Denmark – the greatest difference existing between EU Member States – would lead to a significant Portuguese migration to Denmark. In reality, out of the foreign employees taken into account in Denmark, the ratio of Portuguese nationals cannot be indicated statistically.

⁵ Note that the number of foreigners working legally in Hungary, and, among them, the proportion of Union citizens certainly increases with the well-known practice that, to avoid a bureaucratic procedure, foreign experts who are exempt from holding a work permit but subject to holding a residence permit for a period of more than 90 days prefer visiting the nearest border point to “get the stamp” before the 90 days expire.

The Internal Affairs and Justice-related Issues of EU Accession

During the history of the accession negotiations so far, internal affairs and justice issues have essentially been absent from the agendas, since the relevant *acquis communautaire* had either been non-existent or comprised of only optional international standards, whose enforcement could not have fallen within the competencies of the member states. In the course of the European Union's most recent expansion, however, the internal affairs and justice issues - like the otherwise well-known subjects - constituted an independent negotiation chapter. This situation represents a challenge not only for the candidate states, including Hungary, but for the present member states also. As a result of the new legal bases established by the Maastricht Treaty, the Amsterdam Convention, the adoption of the Schengen Convention among the *acquis communautaire* and intensifying legislation and standardization, a permanent adaptation and harmonization process is in effect among not only the candidates but also the member states, while accession negotiations are in progress regarding the internal affairs and justice chapter. It is evident that this situation alone could explain why Chapter 24 belongs to the so-called group of "hard core" chapters, however, this is not the sole criterion.

1. Conditions for Cooperation in Internal Affairs and Justice

Why had cooperation in internal affairs and justice issues arisen at all among the member states? What justified that such an economic collaboration-based community should include internal affairs and justice as well in the cooperation?

The proliferation of international terrorism, organized crime, illegal migration, and phenomena "not respecting" country borders - being destructive to both the economic environment and the democratic institutional system - spurred the member states in the latter half of the 20th century to establish frameworks for international cooperation and to foster contacts and dialogue between the national authorities. Compared to other fields of integration, the development of internal affairs and justice cooperation between the member states of the European Communities advanced only at a slow pace. Until the entry into force of the Maastricht Treaty on the establishment of the European Union in 1993, integration happened outside the institutional and legal frameworks.

Cooperation in internal affairs and justice began among the member states of the European Communities in the mid 1970s. With the creation of the so-called Trevi Group the member states created the first ministerial forum on internal affairs for the purpose of harmonizing anti-terrorism actions and the cooperation of police departments in anti-terrorism within the communities. The ministers discussed their anti-terrorism policies and legislation on intergovernmental forums, and set up working groups.

Amending the Treaty of Rome, the Single Europe Act of 1986 represented a turning point in this area of collaboration as well. Putting the free movement of people into a community perspective as one of the key elements of a uniform market brought the possibility and thus the need for cooperation in internal affairs and justice issues into the forefront even more. Even the experts of the Brussels Committee could participate - as observers - in the activities of the working groups established after the ratification of the convention. The ministers responsible for immigration set up an ad hoc working group, and new ones were established in the area of customs cooperation and anti-drugs operations. And, in the course of justice cooperation, the ministers of justice regularly reviewed and discussed matters arising in criminal and civil law issues.

In contrast with the recommendations of the White Book issued by the European Commission in 1985 regarding the free movement of people, internal affairs and justice cooperation will continue to remain in the intergovernmental realm, and neither the European Parliament nor the national parliaments had any direct supervisory jurisdiction. This collaboration was based on treaties, resolutions, conclusions, and recommendations that have been approved outside the scope of the European Council. The 1990 Dublin Convention on the procedure relating to the judgement of refugee applications and the refugee resolutions adopted in London were among them.

In 1985 a group of the member states opted for closer cooperation, and ratified the Schengen

convention, then a treaty on the execution of the Schengen convention in 1990 whose purpose was to eliminate control along the internal borders of the parties and to fortify the outer border zone, i.e., it facilitated the free movement of persons and goods within the borders defined by the Schengen convention. New operative structures were created for this purpose in order to enhance cooperation between the police departments and customs authorities under the Schengen Information System (SIS).

The creation and expansion of the common internal market required the enhancement of cooperation in other areas as well, so, the member states declared several new areas as ones falling into their common scope of interest.

Up to the ratification of the Treaty on European Union signed in Maastricht in 1992, internal affairs and justice cooperation was difficult to follow in terms of form, so the various consultation groups had to be integrated into a standard framework for the benefit of enhancing efficiency and harmonizing the jobs of the various organizations working in this area. In the Treaty on European Union the member states grouped the areas of cooperation into three pillars, and internal affairs and justice cooperation was made the third pillar by the European Union by Section VI of the Treaty.

The internal affairs and justice authorities of the member states were the bodies that effectively collaborated. Such cooperation facilitated dialogue between the police departments, justice, and customs authorities of the member states regarding mutual assistance and cooperation within areas of common interest such as refugee policy; the rules pertinent to the crossing of the external borders of the member states and to checking persons crossing the borders; immigration policy and policy relating to the citizens of third-party countries (including the fight against illegal immigration and employment); anti-drugs policy; the prevention of international fraud; justice cooperation in civil and criminal matters; customs cooperation; the cooperation of the police in fighting and preventing terrorism, illicit drug trafficking and other serious forms of international crime. Section VI of the Maastricht Treaty was partly based on an existing system of intergovernmental cooperation, so it was continually under scrutiny due to its complexity and lack of transparency. The European Commission was granted no real decision-making powers this time either; most of them remained within the competencies of the member states.

The deterioration of public safety, racism, immigration, unemployment, international organized crime, and matters relating to safety and the free movement of people - all of which directly concern the citizens and are thus in the focus of public interest - represent constantly escalating problems in the member states of the European Union.

Closing the Intergovernmental Conference convened in 1996 for the review of the Maastricht Treaty, the Amsterdam Convention brought the most marked changes in the very area of internal affairs and justice cooperation. The European Union's member states agreed to set up a zone of freedom, safety, and justice, which - transgressing the framework of the 3rd pillar of cooperation under the Maastricht Treaty - represents a qualitative change in the integration process.

The member states undertook commitments to gradually include among the community's jurisdiction legislative powers - relating among others to the free movement of people, external border control, refugee policy, immigration, and visa policy - which were originally considered as 3rd pillar cooperation and are regarded as key elements of national sovereignty by the member states, within five years reckoned from the effective date of the Amsterdam Convention. Community institutions would gradually play increasing roles in the above areas during the transitional period. The Amsterdam Convention not only transformed but expanded the area of cooperation in internal affairs and justice. The standards pertinent to external border control and the elimination of control on internal borders that have been adopted in the Schengen Convention and the treaty on the execution thereof were committed to the 1st pillar, i.e., community statutes, and the 3rd pillar, i.e., intergovernmental cooperation, by the Council's decision in May 1999. The United Kingdom and Ireland are not signatories, and Denmark is subject to special consideration in this regard.

Third-pillar cooperation, whose subject is police and justice cooperation in criminal issues, also

continues to function. Its purpose is to unite forces against racism and xenophobia, terrorism, the smuggling of people, child abuse, drug trafficking, arms smuggling, fraud, and corruption. Closer cooperation between the police departments, customs authorities, and other competent bodies in the member states, both directly and through EUROPOL, is envisaged in order to achieve the goals. This is enhanced even further by strengthening cooperation between courts of justice and the approximation of the criminal legislation of the member states. The Amsterdam Convention succeeded in making the objectives and means of 3rd pillar cooperation more transparent.

2. Cooperation Between Hungary and the European Union in the Areas of Internal Affairs and Justice

Hungary is continuously preparing for participation in internal affairs and justice cooperation by means of various programs. In 1997, the Internal Affairs and Justice Working Group of the Committee for European Intergovernmental Integration completed the assessment of the EU's *acquis* related to the area, and defined the tasks of domestic legislation and institutional development required for their adoption. The Internal Affairs and Justice Expert Group - in which specialists of the Ministry of the Interior, the Ministry of Justice, and the Ministry of Foreign Affairs are collaborating - continues to monitor the changes taking place with the signing of the Amsterdam Convention, as well as the development of *acquis communautaire*.

Hungary's preparations are being closely monitored by the European Union as well. In the course of a round of expert-level accession negotiations completed in March 1999, experts of the EU and Hungary reviewed the state of the country's preparations in internal affairs and justice cooperation. The relevant chapter of the European Union's *acquis communautaire* provides the European Commission a detailed and accurate picture of Hungary's state of preparation.

Hungary has emphasized from the beginning of the accession process that it considers its participation in internal affairs and justice cooperation within the European Union as an issue of critical importance. Hungary is able to contribute greatly to the enhancement of European security by fulfilling the criteria for participation in internal affairs and justice cooperation, which also coincides with Hungary's security interests stemming from its geostrategic position. Hungary will be able to fulfil the requirements it is subject to regarding internal affairs and justice cooperation. Even as part of the preparation process, Hungary is continuously adopting the legislation relevant to the area, and is joining the treaties that are open to associated countries as well. It has lifted the geographic restrictions added to the Geneva Refugee Convention, it is gradually adapting its visa policy in accordance with the European Union's common visa policy, and it is collaborating with EUROPOL.

During the time remaining until accession - in addition to further legal harmonization and considering the relevant provisions of the Amsterdam Convention - emphasis should be laid on setting up an up-to-date institutional background, which facilitates the effective use of accomplishments made in the course of cooperation.

3. Key Issues of Internal Affairs and Justice Cooperation

Internal affairs and justice cooperation is an area that foremost concerns the relationship between the mother country and Hungarians living beyond its borders. Therefore, the government treats the settlement of this sensitive issue as a priority, so that all parties concerned are satisfied, and also requires the participation of the European Union for this purpose. A bill on Hungarians living in the neighboring countries, being drafted and about to be passed by Parliament, also meets these criteria. The contents of this law will be in harmony with the European Union's requirements both before and after accession.

In addition to the legal harmonization and institutional development tasks the government considers implementing the control and security of the future external borders at standards meeting the European Union's requirements by the time of accession important.

The organization of an appropriate external border control system and the review of visa policy are not only called for by EU accession but by Hungary's immigration, migration, and crime situations as well. Even now a major non-desirable influx is noticeable from the future external borders. The adoption and appropriate application of the EU's laws could improve Hungary's internal security and law and order alike.

A comprehensive border development concept has been elaborated with the participation of the governmental bodies concerned. This program treats the implementation of development projects on the external frontiers of the future European Union as a priority, thus serving as the basis for preparing EU decisions required in order to eliminate control along the future internal borders of the European Union.

4. The Status of the Accession Negotiations Concerning Internal and Justice Affairs

In late 1999, during the accession negotiations, Hungary submitted its position on internal affairs and justice cooperation as well. The government accepted the *acquis communautaire* pertinent to this area, including the so-called Schengen acquisitions, and expressed that it would be ready to use these rules and procedures as of accession, and also that it would create conditions necessary for the effective application of the *acquis*.

It may not seem clear from the fore-going why this chapter belongs to the so-called problematic ones, since it is not subject to any temporary terms of exemption on Hungary's part.

As evident from the brief account on the history of this cooperation, the chapter can be considered special on account of its nature and content. Even though this is not regulated by Community standards, the fact that all of the member states are closely and continuously observing Hungary's (and other countries') preparations in the field of internal affairs and justice may be regarded as an important factor. They consider it important to constantly evaluate how much Hungary has progressed, so it can indeed partake in a collaboration that would impact considerably on national sovereignty from the moment of accession. In other words, apart from applying the actual *acquis* the joining countries (including Hungary) must earn the trust of the member states, so that they truly recognize and accept the preparations, deem adequate the data protection laws, for example, judge the justice bodies and courts of law to be functioning efficiently, and consider the operation of the Hungarian border control bodies appropriate and capable, so that the control of the Union's future external borders along Hungary's border sections is implemented in line with the interests of all member states, and that the free movement of persons and goods is realized within a border-free European Union.

The European Commission's Year 2000 Report takes into account the progress made in comparison with the previous year, and acknowledges approximation in both legal harmonization and institutional development.

For the benefit of ensuring the effective protection of personal data detailed regulations for the application of the general Data Protection Act have been passed in Hungary. These rules include provisions pertinent to the criminal procedure and to cooperation and information exchange with the European Union's crime fighting information system and with INTERPOL.

In the field of visa policy the harmonization of Hungary's legislation with that of the European Union's went on. Along with an on-line information system that assists consular work, the Ministry of Foreign Affairs has set up a new visa issuing system. The training of personnel to use the new system has also been commenced concurrently, and equipment capable of recognizing counterfeit or falsified documents have been procured.

Regarding border control a new border registration system has been introduced, which assists the prevention of illegal immigration and organized crime. As regards the institutional part, computerization and the infrastructural development of the border guard progressed. On the so-called "green borders" the upgrade of equipment continued in accordance with the Schengen

criteria, through the use of thermal cameras, night-vision devices, passport scanners, and portable computers.

Hungary continued to enhance cooperation in police matters with the neighboring countries and the member states of the European Union as well, which resulted in the continued rotation of liaison officers and police attaches. The new Center for International Cooperation in Crime Fighting was set up for the purpose of promoting international collaboration and coordination with EUROPOL. Hungary has made additional efforts to enhance the preparation of public administration against organized crime. A forensic medicine laboratory was established in the National Institute for Forensic Investigation and Analysis, which is capable of performing advanced DNA tests.

In the area of combating fraud, corruption, and money laundering Hungary proclaimed the Council of Europe Treaty of 1990 on Money Laundering and the Investigation, Seizure, and Confiscation of Items Obtained by Criminal Acts. The Criminal Code has been amended for the benefit of the unhindered application of the Treaty, whereby the laundering of income from any crime is now punishable by law.

The Hungarian government passed the national anti-drug strategy, which lays particular emphasis on preventive measures.

Hungary has also adopted the fundamental rules of international justice cooperation.

According to the European Union, additional measures need to be taken in the course of the preparations, among others in the areas of immigration policy, the appropriate application of refugee regulations, and justice cooperation. The justice system must be able to become a member of the European Justice Network.

János Kendernay

Agriculture: A Critical Accession Area

Agriculture is the most complex chapter of the accession negotiations and the one expected to raise the largest number of problems and difficult-to-handle hot issues. The single fact that almost half of the Community's legislative material concerned makes the negotiations complicated: the regulations are extremely complex and littered with a multitude of technical details. There is yet another difficulty here, namely that agriculture is considered to be a delicate issue both by Hungary and the EU, and - in addition to the regulations having direct bearing on the sector - the political, budgetary and social implications also have to be taken into account.

The agricultural negotiations started in September 1998. The Community's immense legislative material was reviewed in eight successive rounds, and the process took more than one year to complete. During the examination, the negotiating parties discussed the conditions for Hungarian adoption and application of each community regulatory tool, and defined the essential tasks to be performed prior to accession.

Hungary submitted its position concerning the agricultural negotiation chapter in November 1999. The document stated that Hungary undertook to apply every rule and regulatory procedure of the Common Agricultural Policy (CAP) of the European Union as of the first day of its membership. It is also stated that Hungary would establish all the conditions required for the operation of the CAP prior to the accession.

We will only request temporary exemption (from the obligation to apply community rules) in a limited number of cases and for a restricted period of time, such that this does not interfere with the CAP fundamentals, and do not influence the appropriate operation of the common internal market or the community regulatory tools. A part of our exemption requests aims at assisting Hungarian producers in establishing the conditions required for the application of the CAP, and solving specific accession-related problems. To meet the community requirements concerning the protection

of farm animals or the structural design of slaughterhouses, for example, entails major investments. Some Hungarian producers will undoubtedly fail to comply with these due to their poor economic background. Were there no transitory regulations, these producers would be obliged to shut down production right on the date of accession, which would result in serious economic and social tension. Another request directly protecting the interests of our producers is to permit Hungary to disburse national subsidies to overcome unpredictable difficulties, if any, appearing in spite of the comprehensive application of community regulations. In some cases, we request the possibility to temporarily retain our own regulations that may differ from those of the EU. An example is the continued distribution and marketing of milk with a fat content of 2.8%, currently accounting for two-thirds of the Hungarian consumption. We also wish to keep some of our veterinary/sanitary requirements - more demanding than those of the EU - in force such as those concerning pig sperm and embryos.

In compliance with the principle of equal rights and obligations, Hungary expects to be eligible for every type of subsidy and preferential treatment that will be available for the agricultural economy of other EU-states at the time of our accession. This applies in particular to the direct producer subsidies, introduced in 1992 (formerly called compensation support).

We state our request to use the basis for production-limiting and subsidizing measures applicable within the CAP framework (quotas). The requested quantities reflect the actual production data over a longer historical period. They are in general greater than the production levels of the present day or the recent past. They were defined on the basis of the community regulations in force. We also took into account the medium and long-term interests of Hungarian producers, and the development opportunities of the sector.

The production-limiting measures applied within the CAP framework set long-term definitions for the structure of agricultural production. Hungarian agriculture has seen continuous structural changes since the beginning of the 1990s. The requested quotas will permit further transformation, as well as adaptation to community regulations and the needs of a common internal market. They also ensure that agriculture will fulfil its long-term role in country life, and, furthermore, that the Hungarian environmental and environmental protection objectives fully harmonizing with the EU's principles will be achieved. It is a legitimate expectation of Hungarian producers that they should be able to contribute to meeting domestic and foreign market needs, expected to increase in the long run. The quotas permit this too.

The EU handed over its position for the agricultural negotiations in June 2000. On 14 June, the opening of the actual negotiations was officially announced. A certain part of our requests concerning transitory regulations were refused on the basis of their non-compliance with Community principles. In other cases, the requests were found to be reasonable, or additional data and arguments were requested for their evaluation and decision-making. EU representatives stressed that the basis for production-limiting measures has to be defined by taking into account the actual historical production data of a given reference period. Accordingly, a re-evaluation of the Hungarian standpoint was requested. However, the basis period was not specified, only data relative to the annual production between 1995 and 1999 were requested. The EU emphasized that Hungary would have to create all the conditions necessary for the application of community regulations. The EU asked for detailed schedules complete with deadlines for every institution and regulatory system involved. The negotiators indicated that they would continuously inspect the implementation of the development activities until our membership is approved. The EU took no position on the extension of the direct producer subsidies - the issue having the farthest-reaching political and budgetary consequences. This statement will be worked out later, subsequent to the detailed analysis of all other players.

In response to the EU negotiating position, Hungary submitted a supplementary statement in December 2000. In this document, it was mentioned that some of our exemption requests had been abandoned. In fact, we did not see a realistic chance for the enforcement of some of them, whilst in other cases, changes in community regulations or in the domestic conditions made the requests

meaningless. In other cases, our requests were further clarified considering the comments made by the EU, or due to the modifications of the community regulations. We did not modify our quota requests; however, we attempted to justify their *raison d'être* by statistical data going back to the mid-1980s. We supplied detailed information about our plans aiming at the establishment of the institutional system ensuring the operation of the CAP. According to the schedules outlined, Hungary will realize all the conditions required for the application of the CAP prior to 1 January 2003.

The objective of the Republic of Hungary is to become an EU-member by 1 January 2003. One of the essential prerequisites to this is to achieve significant progress during the agricultural negotiations of 2001. According to the strategic document adopted at the Nice summit, the EU intends to commence the agricultural negotiations in the second half of 2001, with phytosanitary and veterinary issues at the top of the agenda. In view of their budgetary impact, the issue of producer subsidies will be discussed only in 2002. Being one of the best prepared candidates, Hungary envisages to make quicker progress than the pace set by the EU, and hopes to discuss and conclude the majority of the topics included in this chapter as early as 2001.

The agricultural negotiations are expected to be lengthy, complicated and difficult. The large volume of community legislation, plus the great number of technical details require the involvement of many experts. Presumably a number of technical details will need separate coordination. However, the real difficulty is the considerable gap between the standpoints of the parties regarding the general and detailed issues of agricultural accession.

The Hungarian objective is to achieve the full acceptance of our negotiating position. The EU's intentions were outlined on the basis of the community negotiating point, and the opinions voiced in committee and member state circles. The fundamental interest of the current member states is to avoid that the accession changes the structure and interrelations of European agricultural economy that have emerged over the past decades; the admission of the new members should not provoke a fundamental reformulation of the CAP. The idea is to extend the current regulatory practice and subsidy system to include the new candidates, so that the balance established between the production and consumption of food and other agricultural goods is maintained in a future, broader EU, and the pricing and subsidizing system remains intact because these ensure the realization of the agricultural objectives laid down in the Rome Treaty. Another important aspect is that the change in community budget should be kept to the strict minimum because no member state would undertake to make community contributions significantly in excess of the present ones. Besides, the EU agricultural economy must meet the challenges presented by the world market, and must face the fact that in connection with the WTO negotiations, the protection of markets and the subsidies directly linked to production will be further reduced.

During the negotiations, phytosanitary and veterinary issues, and food safety problems are likely to receive considerable emphasis. Regarding the protection of community consumers, the EU will require the application of the rules in full, irrespective of the specific conditions of the candidates, and also the fact that even the current member states fail to fully meet the requirements.

Along with the other candidates, Hungary fears that the EU interests will dictate the elaboration of transitory regulations applicable for a longer period of time. At the end of this period, full compliance with community regulations, and the implementation of all production limiting measures would be required, while our producers would only have access to subsidies and preferential treatment to a lesser extent than the present members.

It is probable that we could not expect to obtain temporary exemption from enforcing the veterinary regulations, because this would translate into cost savings for the Hungarian producers. (The fact that they would be obliged to allocate amounts of money for investments - to achieve compliance once the transition period is over - far in excess of the savings, is another matter.)

The quotas would freeze production at the present, significantly reduced level, which would put considerable obstacles in the way of development. Our producers would not have the slightest chance to exploit the opportunities presented by increased domestic living standards and an

expanding world market. The member states are in complete agreement in that the direct producer subsidies should apply to the candidates only after a predefined transitional period. The existing price differences and the lack of community resources are given as justification. Hungary stresses that the direct producer subsidies constitute an integral part of community regulations, and play a decisive role in generating producer incomes. Because on the unified market, we can calculate with practically identical prices and costs, so the missing supplemental subsidies would put Hungarian producers in a hopeless position in terms of competition, thus fundamentally questioning their future. Over the past few years, Hungarian agricultural prices have approached EU levels, and for key products they are expected to actually catch up with the latter by the time of accession. That is, the membership will not bring extra income to the Hungarian producers through producer prices, however, meeting the community requirements will inevitably lead to extra expenditure.

The EU's belief that in the post-accession period, the candidates should receive community subsidies primarily for restructuring purposes is well-founded. There is a crying need for modernization and increased efficiency in Hungarian agricultural economy. A number of our producers is already capable of meeting community requirements. However, the majority will be obliged to undergo development in order to produce items that meet market and consumer requirements in every regard. Nevertheless, the restructuring subsidy is only acceptable to us in a form that promotes the development of competitive production, it does not strangle the agricultural sector, it does not result in a significant reduction in production and in the number of agricultural employees, and it does not impart the ability of agriculture to play its long term role in a flourishing, multifunctional rural society and environment.

In order to consolidate opposing views and obtain solutions acceptable for all parties, it is expected that high level political interventions will be needed during the course of the agricultural negotiations. In addition to this, the negotiating parties will have to show a greater inclination than today to accept compromises.

The successful preparation for membership can also significantly contribute to the rapid and favorable conclusion of the negotiations. The adoption of Community agricultural legislation has been going on for years in the framework of the legal harmonization program. In several areas (e.g., regulations pertinent to food products or veterinary issues), more than 80% of Hungarian legislation is harmonized. We plan to take major additional steps in 2001. The adoption of community veterinary regulations can be taken as an example. To enforce directly applicable community rules, our taxation and accounting practices will also have to be amended prior to accession.

The establishment of an institutional system required for the operation of the CAP has been going on for years, too. The tasks were defined in the agricultural chapter of the National Program for the Adoption of Community Achievements. The EU will provide considerable development assistance under the Phare Program. The main tasks to be carried out prior to accession are as follows:

Development of the state supervision systems of phytosanitary, veterinary and food hygiene, including controls performed at the outer limits of the future EU. In order to operate the common market regulations adequately, a new, unified producer registration system has to be set up, the registration of animal livestock, arable land and trade turnover balance, and the market and price survey systems have to be developed further. The intervention, export, import and production-limiting controls have to be implemented according to Community rules. Systems suitable for overseeing the disbursement of CAP subsidies (direct producer grants, exportation, regional development), and for controlling proper/abusive use have to be put in place.

It is a crucial question of our accession whether or not Hungarian producers can fully comply with the challenges presented by the CAP, the unified market and the community regulations in general. Despite the fact that the Hungarian budget resources available for agricultural subsidies do not even compare with those of the EU, our system makes a maximum effort to support restructuring, the preparation for the application of community rules, the promotion of producers and sectors competitive on the unified market, the formulation of optimum production output, and the

formation of producers' organizations.

The SAPARD program, providing us with an annual grant of EUR 38 million from 2000 up to the accession date, is also expected to help us a great deal. The competent EU body has approved the Hungarian SAPARD plan, setting forth the concepts for regional and agricultural development using community support in September 2000. Today we are working to prepare the EU-accreditation of the SAPARD institutional scheme. The complete set of conditions necessary for the operation of SAPARD is likely to be established in the first half of 2001.

Nándor Pete

Trends in Hungary's Foreign Trade and Competitiveness in 1999 and 2000 in the Light of EU Accession

Hungary's foreign trade turnover increased by more than 250%, more specifically, the trade in goods with the European Union's (EU) member states multiplied sixfold, since the deregulation of foreign trade and economic restructuring that began in 1988 and 1989. Hungary's foreign trade was restructured also in terms of its direction (country groups) and structure (key product groups) over the last decade. In 1989, nearly half of the country's exports were directed to the former COMECON states, with just one-third destined for the European Union. These figures exhibited a reversal by 1999, with the European Union becoming our key trading partner; its member states received 76% of Hungary's total exports, while the Central and Eastern European (CEE) Countries only 13% thereof. A similar process took place in the last decade regarding imports as well, with the difference that the European Union's share was slightly less: its member states accounted for only 65% of all Hungarian imports during the same period.

Hungary's foreign trade performance is well demonstrated by the fact that, according to the statistics of the Union calculated for its external trade (i.e., subtracting the turnover between the member states) Hungary was found to be the 8th most important foreign trade partner (it was outperformed, though by Russia and Poland) of the European Union in 1999. According to 1999 Eurostat¹ data forming the basis of EU statistics, the participation of Hungary in the total foreign trade turnover of the European Union was almost 2.4%, in contrast to the 1989 figure of 0.6-0.7%. The foreign trade boom picking up momentum beginning with the second half of 1999 – first of all the accelerating economic growth of the member states – had a favorable impact on the evolution of Hungarian foreign trade. Preliminary calculations of the Hungarian Bureau of Statistics (HBS) show that in the first ten months of 2000 the rate of increase of exports (imports) – measured at current prices in USD – was 13.1% (15.1%) higher than in the previous year. During the same period, our foreign trade ratio of exchange dropped by approximately 2.6%, however, this was primarily due to the price increase witnessed for energy carriers. At the same time, the downward trend of the euro was reflected in the 12.1% increase of Hungarian exports into the European Union, which thus remained slightly below the rate of increase for total exports. Consequently, the share of the European Union within exports decreased by one percentage point to attain 75%. On the contrary, the share of the 15 member states within imports decreased significantly, more precisely by 7 percentage points to reach 58% with respect to the same period of the previous year. This was due to the “only” 3% growth of Hungarian imports from the EU, as a result of which our trade surplus with respect to the European Union increased threefold in the first 10 months of 2000 compared to 1999, and totaled USD +2.016 billion.

Agreements Regulating Trade between Hungary and the EU

First the trade relations between Hungary and the European Community were regulated by a

temporary agreement on trade and trade-related issues, taking effect on 1 March 1994. This was superseded by the Hungarian-EC European Agreement (EU Association Treaty) that came into force of 1 February 1994. Among others, the EU Treaty envisaged the establishment of free trade by bilaterally introducing mutual trade benefits. Concerning industrial products, the Treaty set forth the establishment of a free trade zone between Hungary and the Community by 31 December 2000. From that time on, goods will flow exempt of any customs duties and with no quantity limitations or similar measures even in sectors (such as the textile and the steel industries) whose trade was traditionally regulated by the Community via special systems. The establishment of the free trade zone was carried out asymmetrically, with the Community offering the concessions faster, while Hungary returned these later after a grace period required for preparations.

In relation to the industrial products constituting a major part of Hungarian exports, the quotas were suppressed as early as by 1 March 1992. This had an effect whereby this product group representing roughly 75-80% of trade became exempt from duties. The treaty regulated the trade of the remaining industrial products - in altogether 93 so-called "sensitive industrial product groups" - with quotas and ceilings. The June 1999 Copenhagen Session of the Council of Europe accelerated the schedule originally defined in the Treaty, making Hungarian exports in the above-mentioned 93 product groups subject to free trade treatment as of 1 January 1995. With respect to products subject to the stipulations of the agreement establishing the European Coal and Steel Community - forming a marginal part of Hungarian export - the quantitative limitations were eliminated as early as 1 March 1992, while duties were suppressed on 1 January 1996.

Concerning textile products and textile-based fabrics and clothing, it took somewhat longer to establish free trade. The quantitative limitations were lifted completely on 1 January 1998 but the quantitative framework was already expanding gradually in the meantime. Commissioned work was made exempt of duties in general on 1 March 1992, while the corresponding date for textile products was 1 January 1997. By eliminating the remaining quotas imposed on Hungarian textile products by 1 January 1998, the export of industrial products of Hungarian origin into the member states of the Union was completely deregulated in terms of quantities.

The Hungarian duties on industrial products (classified into three groups) imported from the European Union were suppressed in three steps. For approximately 15% (another 25%) of the products, the duties were annulled by 1 January 1995 (1 January 1998). In the remaining product group, the suppression of duties began on 1 January 1995, and the process will be completed by 31 December 2000. This means that with respect to the import of industrial products, full exemption from duties will thus be realized on 1 January 2001.

Based on the EU Treaty, discussions started with the EU in 1997 to establish the mutual recognition of the industrial product compliance certificates in order to further facilitate trade on both sides. The discussions related to the so-called Protocol of European Compliance Adequacy (PECA) were concluded at expert level in October 1999, and subsequent to the official approval procedures the Protocol is expected to be enacted on 1 January 2001, whereby Hungary and the EU will mutually proclaim that both parties recognize each other's product compliance procedures and certificates. The sectors concerned include machines, low voltage electrical products, medical equipment, the production and laboratory procedures of pharmaceuticals, as well as gas-operated appliances and water heaters. By virtue of the agreement, it was possible to eliminate the majority of the technical obstacles still present in Hungarian-EU trade relations. The product group will be expanded as domestic legal harmonization progresses.

Concerning agricultural products, the contracting parties only offered mutual discounts and concessions because the agricultural policy of the Community requires full membership status for free trade. The benefits facilitating market entry originally included in the EU Association Treaty - relating to almost two-thirds of the items comprising Hungarian agricultural exports - were composed of various elements, depending on whether the entry to EC-markets of Hungarian export products was primarily obstructed by duties or frequently by prohibitive levies (amounting to 100% or even more, making exportation economically irrational).

In the first phase, in fulfillment of its contract obligation the Community granted Hungary all the moderate terms that were formerly offered unilaterally on an annual basis. In the second phase, the agrarian products previously not favored but playing a potentially important role in Hungarian exports (the vast majority of pork products, poultry and beef, cheese, wheat, most vegetables and fruits, live sheep and mutton, etc.) were granted EC duties and levies reductions. Benefits were given for quantities derived from the volume of traditional supplies.

In the case of Hungarian agricultural and food industry imports, essentially the quantitative system of imports was regulated, while the role of duties was only secondary. This was reflected in the market entry facilitating measures offered by Hungary asymmetrically to the EC, according to the terms of the agreement entering into force on 1 March 1992.

The system of benefits and concessions relating to the trade of agricultural and food products had to be updated a few years after the Association Treaty had come into force - first to incorporate the conclusions of the Uruguay GATT Session, and secondly due to the expansion of the Union (the accession of Austria, Finland, and Sweden on 1 January 1995). The most important element of the corresponding adjustment was that the benefit rate of Hungarian export defined for the product groups included in the agreement was raised from 60% to 80% in what concerns the applicable duties, thus offsetting the problems created by the conversion of levy subsidies into customs duties. Another important element of the agreement was that the parties undertook a guarantee to prolong the application of the (lower) duty rates in force prior to the entry into force of the Uruguay decisions to the quantities of traditional supplies surpassing the quotas, thus promoting the maintenance of traditional circulation levels. A comprehensive agreement on the further multilateral development of agricultural concessions was concluded in 2000, and actually entered into force on 1 July. As a result, 72% of Hungarian agricultural exports reaches the EU exempt of duties.

The Association Treaty does not cover the issues of wine trade. The wine trade agreement supplementing the EU Treaty was signed on 1 December 1993, while the agreement on the control of origin took effect on 1 April 1994. The latter set forth the protection of the brand name usage for the most important wine types of commercial circulation against fraud and abusive use, and that in the member states of - the brand name "Tokaji" will no longer be used. The wine trade agreement again provided asymmetric trade concessions. The new, long term agreement on the trade of wines and spirits can enter into force in 2001, therefore the parties prolonged the term of the original agreement for the year 2000.

Trends in Foreign Trade in Goods in 1999

In 1999, Hungarian foreign trade turnover increased dynamically. In spite of unfavorable internal and external conditions², the rate of increase in imports hardly exceeded that of the exports. The export into (import from) the EU-countries was USD 19.068 billion (USD 18.049 billion), which in turn means an increase of 13.6% (9.5%) with respect to the same period of the previous year. During the same period, total Hungarian exports (imports) only increased by 8.7%, from USD 23.006 billion to USD 25.013 billion (9%, from USD 25.706 billion to USD 28.008 billion). This means that the EU's share in Hungarian exports further increased to exceed 76% in 1999, while the same figure for imports was 64%. Another favorable improvement was that the positive Hungarian balance here reached USD 1.019 billion, in contrast with the USD 0.302 billion of the previous year.

Most Important Trade Partners

In 1999 too, the most important trade partner of Hungary was Germany, with a 50% share of our EU exports (USD 9.6 billion); a further 12% (USD 2.4 billion) went to Austria, while another 8% of our exports (USD 1.5 billion) were directed into Italy. These countries were also our key import partners, representing 45% (USD 8.2 billion), 14% (USD 2.5 billion) and 12.1% (USD 2.2 billion) shares, respectively, of our entire EU import in 1999. The biggest Hungarian foreign trade surplus

was realized in respect of Germany (USD 1.4 billion) but the Dutch (USD 594 million) and British (USD 266 million) relations were also significant. On the contrary, Hungary had a considerable foreign trade deficit with respect to Italy (USD -681 million), Finland (USD -226 million), France (USD -190 million), and Austria (USD -103 million).

Key Product Groups

The structure of Hungarian foreign trade in goods changed considerably since 1989, when the better part of Hungarian exports (as is typical for underdeveloped economies) was composed predominantly by processed products (44%), foods, beverages and tobacco products (23%), and the share of machinery and equipment was only slightly above one fifth of the total exports (22%). However, by 1999 more than half of the Hungarian exports (57%) consisted of machinery and equipment, which is outstanding even in the CEE region, whereas the participation of processed products, foods, beverages and tobacco products was considerably reduced (to 30% and 8%, respectively).

In the above-mentioned relations, the structure of Hungarian exports into the European Union revealed an even better composition (see Table 3); here some 63% of the exports consisted of machinery and equipment, and foods, beverages and tobacco products accounted for only 5%. Hungarian agricultural exports decreased, not only in a relative sense (compared to total exports) but also in terms of absolute value. In 1991, our agrarian exports into the European Union approximated USD 1.4 billion, whereas the same figure was less than USD 1 billion in 1999, which represents an almost 30% decline. The indicated structural (product group) changes are mainly due to the fact that within the framework of Hungarian exports – and to some degree imports as well – the supply and demand characteristics of the European Union are becoming more and more determinant.

More detailed data (custom duty tariffs – product class) reveal that the dynamic growth (13.8%) of the export share of machinery and equipment prevailed, climbing to 53%. The export of vehicles and components grew significantly (84.8%), attaining a Community export share of 10% in 1999. The export of textile goods retained its decisive importance; the turnover of this product subgroup increased by 4.3%, thus representing 7.2% of Hungarian exports during the same period.

Hungarian agricultural and food product exports exhibited an average decline of approximately 8.7%, this product subgroup had a 5.8% EU export share in 1999.

Turning to imports (SITC product group data), food represented 2%, raw materials 1%, energy carriers again 1%, processed products 41%, machinery and equipment 54% of the total. For the customs duty tariff data, the increase of import volume – like exports – was considerable in the machinery and equipment subgroup (12%), pushing its share up to 45%. The imports of the vehicles and components product subgroup was above average (35%), representing a share of 11% in 1999. Concerning the rest of the product subgroups with a decisive turnover share, chemical product imports slightly increased (4%) to reach 8% in our EU imports. In contrast, textile imports hardly increased at all (1%). Accordingly, the share of this product subgroup was 7% in our 1999 EU imports.

The exportability and competitiveness of Hungarian economy were considerably improved by direct foreign capital investment (FDI); here Hungary has been in a leading position among the CEE countries since the beginning of the 1990s. Roughly one-third of the total investment targeted at the region was directed to Hungary. According to the figures of the National Bank of Hungary, the value of the foreign operating capital paid in cash exceeded USD 20 billion. The most important ones among the more than 30 thousand companies that had settled in Hungary and operate with foreign capital were also the definitive actors of free trade zone circulation. Free trade zone turnover remained the most dynamically increasing part of foreign trade in 1999. Exports increased by 30% (at current prices in USD), while imports directed here increased by 32% relative to the previous year's figures. With this, the share of free trade zones in exports (imports) reached 43%

(31%). Regarding the structure of free trade zone exports, machinery and equipment account for 92%, while processed products almost 8%. The same figures for imports are 80% and 20%, respectively.

The major part of the above-mentioned more than USD 20 billion foreign operating capital does not originate in privatization, but derives mostly from green field and capacity expanding investments. The involvement of foreign operating capital can be divided into three steps: the beginning of the 1990s was characterized by a relatively intense inflow of capital into the processing industry domain, which was followed by sizeable foreign investments into the utility industries after 1995. The third step was the privatization of banks and the appearance of foreign banks in Hungary, which reduced the weight of the processing industry, while that of the service sectors increased.

Foreign operating capital, privatization and green field investments significantly enhanced the competitiveness of Hungarian economy, but their impacts on various sectors were not exactly the same. In many areas, there would be no domestic competition at all, because the line-of-business or the activities simply did not exist (e.g., car manufacturing, vehicle spare part manufacturing capacities, etc.). In other cases, import liberalization launched in 1988 resulted in close international competition as early as in 1990, bringing about the suppression of non-profitable activities independent from privatization (e.g., footwear industry, branches producing base materials for the textile industry, etc.). The production of certain products diminished because of the collapse of the COMECON market (e.g., shipbuilding or crane manufacturing). At the same time, significant new capacities were created for the manufacturing of a number of electronic devices, while the production of the old product groups came to a halt, while the associated capacities were eliminated. It was still possible, though, to “reorganize” the bulk of the local workforce. Therefore, the influx of foreign capital significantly contributed to the reduction of unemployment, and the promotion of employment opportunities.

The development of Hungarian foreign trade is well demonstrated by the spectacular increase of trade within individual sectors, which refers to identical structures within the foreign trade of two countries (export and import structures). The index of in-branch trade is a measure of the extent particular countries trade with each other in the same product groups, so it is an indicator of the degree of foreign trade development. The higher its value, the more similar, or the more developed the economies of the two countries are³. According to OECD statistics, the mean value of the indices taken for the fifteen EU member states with respect to Hungary was 60% in 1999, which is second only to the Czech Republic in the region. This ratio was the highest for Germany, and it was also significant for Austria, Great Britain, and Italy.

The openness and also the competitiveness of the Hungarian economy is further reflected by the fact that in 1999 the value of our foreign trade in goods (exports + imports = USD 53.02 billion) exceeded the gross domestic product of the country (GDP of USD 49.8 billion at current prices). In the European Union this was true only for the three countries having the best developed foreign trade structures: Belgium, the Netherlands, and Ireland. Another proof of the competitiveness of the Hungarian economy⁴ is that more than two thirds (70%) of Hungary’s foreign trade turnover was realized in relation to EU member states, which also indicates the degree of our integration into the EU internal market. This ratio is equal to that of Denmark, and is actually higher than certain member states of the Union, namely Italy (ca. 57%) and Greece (ca. 58%).

Trends in Foreign Trade in the First Ten Months of 2000

According to preliminary HBS data, total Hungarian exports (in USD at going prices) realized a value 13.1% higher in the first ten months of 2000 than in the reference period of the previous year. Even calculated in USD, exports grew more dynamically than during the same period the year before, in spite of the fact that the bulk of the turnover was realized in relatively devalued euros⁵. Imports increased at a rate slightly above export growth (15.1%) between January and October 2000. Thus our foreign trade deficit surpassed the negative balance of the same period in 1999 by

USD 700 million, climbing slightly above USD 3.2 billion by the end of October 2000. This was due mainly to our 2.6% lower ratio of foreign trade exchange, which in turn was due to the price rise of energy carriers.

On the other hand, the downward trend of the euro was also noticeable in the 12.1% increase of Hungarian exports into the European Union, which remained just below the growth rate of total exports. Consequently, the share in exports of the European Union decreased by one percentage point to 75%. However, the share in imports of the fifteen EU member states decreased significantly, by about seven percentage points, to reach 58%. This was due to the fact that Hungarian imports from the Union increased by “only” 3%, a trend that resulted in a Hungarian trade surplus of USD 2.016 billion in relation to the EU during the first ten months of 2000, i.e., triple the 1999 value.

Germany, our most important trade partner, continues to take up half of the total Hungarian exports directed into the EU. The share of Austria (12%) and Italy (8%) also remained constant in our exports to the EU. However, our exports to France and the Netherlands increased far beyond the national economy average (thirty and sixteen percentage points, respectively), so both countries now represent a 7% share of Hungarian EU exports. Our EU imports from Austria decreased sharply (by seven percentage points), from Germany and Belgium only slightly (by one percentage point) in the first ten months of 2000.

The preliminary data suggest that during the first ten months of 2000 the goods structure (expressed in terms of SITC product groups) of Hungarian exports into the EU continued its rearrangement. Compared to the same period of the previous year, the value of machinery and equipment sold in the EU increased by 17%, bringing this product subgroup up to a two-thirds share (65%) in our total EU exports. The share of foods, beverages and tobacco continued to decrease, reaching 4% of Hungarian EU exports. At the same time, the influx of food and energy carriers in Hungarian imports (again expressed in terms of SITC product groups) increased faster than the average (by 15% and 34%, respectively). However, the shares of these within the total EU imports remained constant; 2% and 1%, respectively. Similarly, the share of raw materials (1%), processed products (41%), and machinery and equipment (54.%) also remained the same between January and October 2000.

Further structural changes can be expected to take place in the future in the market and product scheme of our foreign trade in goods, although the scope of these changes will presumably be more limited than the rearrangement of the past decade. The concentration of Hungarian foreign trade into the EU countries already surpasses the trends previously observed for other countries prior to accession. A further minor increase – primarily in imports – will undoubtedly take place subsequent to Hungary’s EU accession.

Csaba Zalai

Table 1: Evolution of Hungarian Exports (at current prices, in USD million)

Year	1995	1996	1997	1998	1999	2000
Total exports	14 308.0	15 704.0	19 099.9	23 005.3	25 012.5	22 770.0
Change with respect to previous year (%)	n.a.	109.8%	121.6%	120.4%	108.7%	113.1%
Total into EU	9 521.0	10 949.4	13 602.3	16 781.6	19 067.8	17 185.0
Change with respect to previous year (%)	n.a.	115.0%	124.2%	123.4%	113.6%	11.1%

*Estimation based on January-October 2000. (HBS); Source: HBS, Ministry of Economy

Table 2: Evolution of Hungarian Imports (at current prices, in USD million)

Year	1995	1996	1997	1998	1999	2000
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Total imports	16 364.0	18 143.7	21 234.0	25 706.4	28 008.2	26 052.0
Change with respect to previous year (%)	no data	110.9%	117.0%	121.0%	109.0%	115.1%
Total from EU	10 413.0	11 301.3	13 325.8	16 479.1	18 048.6	15 169.0
Change with respect to previous year (%)	no data	108.5%	117.9%	123.7%	109.5%	103.0%

*Estimation based on January-October 2000. (HBS); Source: HBS, Ministry of Economy

Table 3: Hungarian Foreign Trade in Goods with EU Member States in 1999 (by SITC product group)

	Exports			Imports		
USD million 1999	% share 1999	% change 1999/98	USD million 1999	% share 1999	% change 1999/98	
Food, beverages, tobacco	972.6	5%	92.3%	317.0	2%	85.0%
Raw materials	417.8	2%	98.6%	242.7	1%	85.2%
Energy carriers	276.6	1%	93.3%	185.6	1%	91.9%
Processed products	5 388.2	28%	104.4%	7 466.9	41%	105,7%
Machinery and equipment	12 012.5	63%	122.0%	9 836.4	54%	115.0%
Total with EU	19 067.8	100%	123.4%	18 048.6	100%	123.7%
Total Hungarian trade in goods	25 012.5	no data	120.4%	28 008.2	no data	121.1%

Source: HBS, Ministry of Economy;

¹It should be stressed that the Eurostat data – which only partially include the production of the Hungarian free trade zone industries – significantly deviate from the Hungarian customs statistics of the Hungarian Bureau of Statistics. According to the official Hungarian figures, a positive Hungarian foreign trade balance in excess of EUR 1 billion was generated in relation to the EU in 1999, while the Eurostat data indicate an almost EUR 1 billion Hungarian deficit for the same relation.

²In 1999, a chain of financial crises rocked the Far East and South America, the economic growth of our key export market (the EU) slowed down, the Russian economy collapsed, first a political then a military conflict arose in Yugoslavia, and several natural disasters happened in Hungary.

³According to this assumption, the more developed an economy is, the higher number of its sectors are connected to international trade, and, the greater the number of products exported and imported at the same time. Turning the argument around, the less developed an economy, the lower the number of its sectors involved in international trade, and the more concentrated its export structure (monocultures; complementary economies). The index can take on any value between 0 and 100, and the more this value approximates 100, the higher the ratio of sectoral trade is.

⁴According to the Competitiveness Yearbook published annually by the Swiss Institute for Management Development (IMD), the Hungarian economy moved one step ahead in the global ranking, to the 27th place from the 28th in the previous year. According to the study compiled on the basis of statistics and corporate managers' statements, the economic environment in Hungary is "more business-friendly" than that of all the other CEE countries (Slovenia, being next in line, is only ranked 35th). This performance puts us ahead of three EU member states: Portugal (29th), Italy (30th), and Greece (32nd).

⁵Of the export turnover between January and October 2000, ca. 80% was realized in EUR and 20% in USD, whereas in imports the USD share approximated 35%.

Hungary and the World Economy

Some Major Indices of the World Economy

Annual growth rate of the gross product (GDP), 1985-1996 (%)

Country/Region	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995
<i>Developed democracies</i>											
<i>collectively</i>	3.4	2.8	3.2	4.2	3.6	2.7	0.8	1.8	1.0	2.7	1.9
USA	3.7	3.0	2.9	3.8	3.4	1.3	-1.0	2.7	2.2	3.5	2.8
Canada	4.8	3.3	4.2	5.0	2.4	-0.2	-1.8	0.8	2.2	4.6	3.5
Japan	4.4	2.9	4.2	6.2	4.8	5.1	4.0	1.1	0.1	0.5	0.5
Germany ^{a)}	2.0	2.3	1.5	3.7	3.6	5.7	5.0	2.2	-1.2	2.9	2.9
France	1.9	2.5	2.3	4.5	4.3	2.5	0.8	1.2	-1.3	2.8	2.8
Italy	2.6	2.9	3.1	4.1	2.9	2.1	1.2	0.7	-1.2	2.2	2.2
Great Britain	3.8	4.3	4.8	5.0	2.2	0.4	-2.0	-0.5	2.3	3.8	3.8
Hungary	-1.4	1.6	4.1	-0.1	0.7	-3.5	-11.9	-3.1	-0.6	2.9	2.9
China	12.9	10.8	11.1	11.1	4.3	10.4	8.0	13.2	13.8	11.2	n
<i>Developing countries</i>											
<i>collectively</i>	4.7	4.2	5.0	4.9	3.3	3.6	3.6	5.2	5.8	6.3	n
Russia								No d	No d	-15.0	
Ukraine								No d	-14.2	-19.0	-

*Estimates; ^{a)}Data of the Federal Republic of Germany prior to 1992.

International Demographic Data

World population in developed and developing regions (millions)

Year	Total	In developed regions	In developing regions
1750	730	158	572
1900	1,608	505	1,103
1950	2,516	832	1,684
1955	2,751	887	1,864
1960	3,019	945	2,074
1965	3,336	1,003	2,333
1970	3,698	1,049	2,649

1975	4,079	1,095	2,984
1980	4,448	1,137	3,311
1985	4,851	1,174	3,677
1990	5,292	1,207	4,086
1995	5,770	1,236	4,534
2000	6,261	1,264	4,997

Average annual population growth in developed and developing regions (%)

Year	Total	In developed regions	In developing regions
1750-1800	0.44	0.48	0.42
1800-1900	0.57	0.93	0.45
1900-1950	0.90	1.00	0.85
1950-1955	1.79	1.28	2.04
1955-1960	1.86	1.25	2.14
1960-1965	1.99	1.19	2.35
1965-1970	2.06	0.90	2.54
1970-1975	1.96	0.86	2.38
1975-1980	1.73	0.74	2.08
1980-1985	1.74	0.66	2.09
1985-1990	1.74	0.54	2.11
1990-1995	1.76	0.48	2.08
1995-2000	1.63	0.45	1.95

The population of some countries (millions)*

Country	1986	1987	1988	1989	1990	1991	1992
Austria	7.59	7.60	7.62	7.66	7.73	7.81	7.91
Belgium	9.86	9.87	9.90	9.94	9.97	9.98	10.05
Bulgaria	8.96	8.97	8.98	8.99	8.99	8.98	8.54
Czechoslovakia	15.53	15.57	15.61	15.64	15.66	15.58	
Denmark	5.12	5.13	5.13	5.13	5.14	5.15	5.17
Finland	4.92	4.93	4.95	4.96	4.99	5.01	5.04
France	55.55	55.82	56.12	56.42	56.73	57.05	57.37
Greece	9.97	10.00	10.04	10.09	10.16	10.25	10.32
Netherlands	14.56	14.66	14.76	14.85	14.95	15.07	15.18

Ireland	3.54	3.54	3.54	3.51	3.50	3.52	3.55	
Yugoslavia	23.27	23.42	23.57	23.69	23.82	23.93	10.45 ^{a)}	1
Poland	37.46	37.66	37.86	37.96	38.12	38.24	38.36	
Hungary	10.53	10.49	10.44	10.40	10.36	10.34	10.32	
Great Britain	56.85	57.01	57.16	57.36	57.56	57.81	58.01	
GDR	16.62	16.64	16.67	16.63	16.25	no data		
FRG	61.01	61.09	61.42.	61.99	63.23	64.12		
Norway	4.17	4.19	4.21	4.23	4.24	4.26	4.29	
Italy	57.25	57.34	57.44	57.56	57.66	56.75	56.86	
Portugal	10.01	9.99	9.57	9.94	9.90	9.87	9.86	
Romania	22.83	22.94	23.05	23.15	23.21	23.19	22.79	
Czech Republic					10.32	10.33	10.34	
Slovakia					5.31	5.32	5.35	
Bosnia-Herzegovina					4.41	4.43	4.46	
Slovenia					2.00	1.99	1.99	
Germany					80.57	81.19	81.41	
Russia					148.31	148.15	147.97	
Ukraine					52.15	52.18	51.92	
Spain	38.54	38.63	38.72	38.79	38.85	38.92	39.01	
Switzerland	6.50	6.55	6.59	6.65	6.71	6.80	6.88	
Sweden	8.37	8.40	8.44	8.49	8.56	8.62	8.67	
Soviet Union	280.24	282.83	285.42	287.63	288.59	no data		
Philippines	56.00	57.36	58.72	60.10	61.48	63.69	65.34	
India	767.20	783.73	800.50	817.49	834.70	51.66	867,82	
Indonesia	168.35	172.01	175.59	179.14	179.30	181.38	184.49	
Israel	4.30	4,37	4.44	4.52	4.66	4.95	5.12	
Japan	121,49	122.07	122.58	123.09	123.48	123.92	124.32	
China	1086,70	1104.20	1121.90	1139.20	1155.30	1170.10	1183.60	
Mongolia	1.93	1.97	2.02	2.07	2.18	2.23	2.27	
Turkey	51.43	52.56	53.71	54.89	56.10	57.33	58.58	
Vietnam	61.11	62.45	63.73	64.77	66.23	67.77	69.41	
Algeria	22.52	23.02	23.65	24.29	25.07	25.66	26.27	
South Africa	33.83	34.63	35.42	36.24	37.07	38.01	38.82	
Egypt	47.21	49.05	50.27	51.48	52.69	53.92	55.74	
Morocco	22.35	22.88	23.41	23.95	24.49	25.02	25.55	
Canada	25.35	25.62	25.91	26.24	26.58	28.12	28.54	

USA	240.68	242.84	245.06	247.34	249.91	252.64	255.42
Argentina	30.75	31.19	31.64	32.08	32.53	32.97	33.42
Brazil	134.65	137.27	139.82	142.31	144.72	147.07	149.36
Chile	12.33	12.54	12.75	12.96	13.10	13.32	13.54
Cuba	10.20	10.30	10.41	10.52	10.62	10.74	10.83
Mexico	79.57	81.20	82.72	84.27	86.15	87.84	89.54
Venezuela	17.53	17.97	18.42	18.87	19.33	19.79	20.25
Australia	16.02	16.26	16.52	16.81	17.06	17.28	17.49
New Zealand	3.28	3.30	3.32	3.33	3.36	3.41	3.44

a)Serbia and Montenegro
Population at mid-year

Live births in some countries

Country	1986-96	1991-95	1991	1992	1993	1994	1995
Austria	11.5	11.7	12.0	12.1	11.8	11.5	11.0
Belgium	12.1	12.0	12.8	12.4	11.9	11.6	11.4
Bulgaria	12.7	9.6	10.7	9.9	10.0	9.4	8.1
Czechoslovakia	13.7		13.3				
Denmark	11.4	13.1	12.5	13.1	13.0	13.4	13.4
Finland	12.6	12.9	13.0	13.2	12.8	12.9	12.4
France	13.8	12.7	13.3	13.0	12.3	12.3	12.5
Greece	10.6	10.0	10.1	10.1	10.0	9.9	9.9
The Netherlands	12.8	12.8	13.2	13.0	12.8	12.7	12.3
Ireland	15.8	14.1	15.0	14.5	14.0	13.4	13.6
Yugoslavia	14.8	13.4 ^{a)b)}	no data	13.6 ^{b)}	13.4 ^{b)}	13.2 ^{b)}	13.2 ^{b)}
Poland	15.5	12.9	14.3	13.4	12.8	12.5	11.5
Hungary	12.0	11.6	12.3	11.8	11.4	11.3	11.0
Great Britain	13.6	13.2	13.7	13.5	13.1	12.9	12.6
GDR	13.0 ^{c)}		no data				
FRG	10.8		11.3				
Germany		9.9	11.1	10.0	9.8	9.5	9.3
Czech Rep.		11.0 ^{a)}		12.5	11.7	10.3	9.3
Slovakia		13.3	14.9	14.1	13.8	12.4	11.4
Norway	13.5	13.9	14.2	14.0	14.1	13.6	13.8
Italy	9.7	9.3 ^{a)}	9.9	9.9	9.4	9.2	
Portugal	12.0	11.3	11.8	11.7	11.5	10.7	10.7
Romania		11.1	11.9	11.4	11.0	11.0	10.4

Spain	10.7	9.7	9.9	10.2	9.9	9.2	9.1
Switzerland	12.1	12.2	12.6	12.6	12.1	11.9	11.6
Sweden	13.2	13.3	14.4	14.2	13.5	12.8	11.7
Soviet Union	18.6		no data				
Israel	22.6	21.3	21.4	21.5	21.4	21.2	21.0
Japan	10.6	9.7	9.8	9.7	9.5	9.9	9.6
Egypt	38.0 ^{e)}	29.8 ^{c)}	30.0	30.3	29.1	29.7	no data
USA	16.0	15.8 ^{c)}	16.3	16.0	15.6	15.3	no data
Canada	14.7	14.0 ^{c)}	15.2	14.0	13.4	13.2	no data
Cuba	17.4	14.9 ^{h)}	16.2	14.5	14.0	no data	no data
Mexico	no data	no data	no data	no data	27.7	31.2	no data
Australia	15.1	14.7	14.8	15.1	14.7	14.5	14.2
New Zealand	17.2	16.9	17.6	17.2	16.9	16.3	16.3
Russia		10.2	12.1	10.7	9.4	9.5	9.3

a) Average of years 1992-1995; b) Serbia and Montenegro; c) Average of years 1986-1989; d) Average of years 1991-1994;

e) Average of years 1985-1988; f) Average of years 1991-1993.

Number of deaths per one thousand inhabitants in some countries

Country	1986-96	1991-95	1991	1992	1993	1994	1995
Austria	11.0	10.3	10.6	10.5	10.3	10.0	10.0
Belgium	10.8	10.5	10.7	10.3	10.6	10.4	10.5
Bulgaria	11.9	10.6	12.3	12.0	12.9	13.2	13.4
Czechoslovakia	11.6		11.5				
Denmark	11.5	11.9	11.6	11.8	12.1	11.8	12.1
Finland	9.8	9.8	9.8	9.9	10.1	9.4	9.7
France	9.4	9.1	9.2	9.1	9.2	9.0	9.1
Greece	9.3	9.4	9.3	9.5	9.4	9.4	9.4
The Netherlands	8.5	8.7	8.6	8.6	9.0	8.7	8.8
Ireland	9.0	8.7	8.9	8.7	8.6	8.6	8.8
Yugoslavia	9.1	10.1 ^{b) c)}	no data	10.1 ^{c)}	10.0 ^{c)}	10.1 ^{c)}	10.2 ^{c)}
Poland	10.0	10.2	10.6	10.2	10.2	10.1	10.0
Hungary	13.8	14.3	14.0	14.4	14.6	14.3	14.1
Great Britain	11.4	no data	11.2	10.7	11.3	10.7	11.0
FRG	11.3		11.1				
Norway	10.5	10.5	10.5	10.4	11.0	10.1	10.3
Italy	9.3	9.6 ^{d)}	9.7	9.6	9.5	9.6	no data

Portugal	9.7	10.0	9.7	10.3	10.8	9.9	9.3
Romania	10.9 ^{e)}	11.5	10.9	11.6	11.6	11.6	12.0
Spain	8.2	no data	8.7	no data	8.7	no data	8.8
Switzerland	9.3	9.0	9.2	9.1	9.0	8.9	8.6
Sweden	11.1	10.9	11.0	10.9	11.1	10.3	11.0
Soviet Union	10.0		no data				
Israel	6.5	6.3	6.3	6.5	6.3	6.3	6.3
Japan	6.4	7.0	6.7	6.9	7.0	7.0	7.4
Czech Rep.		11.4 ^{a)}	no data	no data	11.5	11.3	11.4
Slovakia		9.9	10.3	10.1	9.9	9.6	9.8
Germany		10.9	11.1	10.9	11.1	10.9	10.7
Russia		13.6	11.4	12.2	14.4	15.5	14.7
Egypt	no data	7.3 ^{d)}	7.2	7.7	7.2	7.2	no data
USA	8.7	8.7 ^{d)}	8.6	8.5	8.8	8.8	8.8
Canada	7.2	7.1 ^{d)}	7.0	6.9	7.1	7.2	no data
Cuba	6.4	no data	6.7	7.0	7.2	no data	no data
Mexico	5.3	no data	4.7	4.6	4.6	4.5	no data
Australia	7.2	7.0	6.9	7.1	6.9	7.1	6.9
New Zealand	8.2	7.9	7.8	7.9	7.9	7.8	7.9

^{a)} Average of years 1993-1994.; ^{b)} Average of years 1992-1995.; ^{c)} Serbia and Montenegro; ^{d)} Average of years 1991-1994.

^{e)} Average of years 1987-1990.

Natural proliferation and decrease (-) per one thousand inhabitants in some countries

Country	1986-90	1991-95	1991	1992	1993	1994	1995
Austria	0.5	1.4	1.4	1.6			
Belgium	1.3	1.5	2.1	2.1	1.5	1.5	1.0
Bulgaria	0.8	-3.1	-1.6	-2.1	1.3	1.2	0.9
Czechoslovakia	2.1		1.8		-2.9	-3.8	-5.3
Denmark	-0.1	1.4	0.9	1.3	0.9	1.6	1.3
Finland	2.8	3.1	3.2	3.3	2.7	3.5	2.7
France	4.3	3.6	4.1	3.9	3.1	3.3	3.4
Greece	1.3	0.6	0.8	0.6	0.6	0.5	0.5
The Netherlands	4.2	4.9	4.6	4.4	3.8	4.0	3.5
Ireland	6.8	5.4	6.1	5.8	5.4	4.8	4.8
Yugoslavia	5.7	3.3 ^{b) c)}	No data	3.5 ^{c)}	3.4 ^{c)}	3.1 ^{c)}	3.0 ^{c)}
Poland	5.5	2.7	3.7	3.2	2.6	2.4	1.5

Hungary	-1.8	-2.6	-1.7	-2.6	-3.2	-3.0	-3.3
Great Britain	2.3	2.2	2.5	2.8	1.8	2.2	1.6
GDR	0.1 ^{d)}		No data				
FRG	-0.4		0.2				
Norway	3.0	3.5	3.7	3.6	3.1	3.5	3.5
Italy	0.4	0.0 ^{e)}	0.2	0.3	-0.1	-0.4	no data
Portugal	2.4	1.1	1.3	1.4	0.7	0.8	1.4
Romania	4.9 ^{f)}	-0.4	1.0	-0.2	-0.6	-0.6	-1.6
Spain	2.5	no data	1.2	no data	1.2	no data	0.3
Switzerland	2.8	3.2	3.4	3.5	3.1	3.0	3.0
Sweden	2.1	2.5	3.4	3.3	2.4	2.5	0.7
Soviet Union	8.6	-	No data				
Israel	16.1	15.0	15.1	15.0	15.1	14.9	14.7
Japan	4.2	2.7	3.2	2.8	2.5	2.9	2.2
Egypt	no data	no data	no data	no data	no data	22.5	no data
USA	7.2	7.1 ^{d)}	7.7	7.4	6.8	6.4	6.0
Canada	7.5	no data	7.9	7.1	6.3	6.0	no data
Cuba	10.9	no data	9.6	7.5	6.8	no data	no data
Mexico	no data	no data	no data	no data	23.1	26.7	no data
Australia	7.9	7.7	7.9	8.0	7.8	7.4	7.3
New Zealand	9.0	9.0	9.8	9.3	9.0	8.5	8.4
Czech Rep.		-1.0 ^{a)}	0.0	3.0	0.2	-1.0	-2.1
Slovakia		2.8 ^{b)}	0.7	0.9	3.9	2.8	1.6
Germany		-0.9 ^{b)}		-1.5	-1.3	-1.4	-1.4
Russia		-3.4			-5.0	-6.0	-5.4

a) Average of years 1993-1995; b) Average of years 1992-1995; c) Serbia and Montenegro; d) Average of years 1986-1989.

e) Average of years 1991-1994; f) Average of years 1987-1990.

Death rates by major causes of death (per 100 thousand inhabitants)

Country	Year	Tuberculosis	Malignant Tumors	Circulatory Disease	Pneumonia	Road Accidents	S
Austria	1993	1.4	244.3	544.5	16.3	14.8	
Belgium	1989	no data	274.7	412.8	no data	18.4	
Bulgaria	1993	3.4	183.9	810.5	33.6	12.1	
Czech Rep.	1993	1.2	270.4	638.7	18.9	14.1	
Denmark	1993	0.9	305.9	513.9	34.0	10.8	

Finland	1993	1.6	198.8	485.1	55.1	8.8	
France	1992	1.4	245.7	298.2	25.8	15.3	
Greece	1993	1.6	202.6	460.7	6.3	19.2	
The Netherlands	1992	0.2	236.8	339.6	22.4	8.4	
Poland	1993	3.4	196.8	529.8	13.6	17.4	35.9
Hungary	1993	5.9	312.8	751.7	11.2	17.4	
Great Britain	1992	no data	280.8	501.1	no data	8.1	
Germany	1993	1.0	262.4	541.2	20.7	11.8	
Norway	1992	0.2	228.3	482.8	69.2	7.4	
Portugal	1993	3.3	195.6	469.1	31.4	24.6	
Romania	1992	no data	151.0	707.7	no data	15.0	
Switzerland	1993	0.8	242.2	390.8	31.3	9.7	
Sweden	1992	0.5	235.0	549.7	50.0	7.9	
Russia	1993	12.7	203.4	764.1	16.8	25.4	
Israel	1992	0.5	128.1	263.3	14.9	6.4	
Japan	1993	2.6	190.4	255.3	65.1	11.3	
Canada	1992	0.4	192.9	268.0	22.9	11.6	
USA	1991	0.7	204.1	365.0	30.4	16.9	
Australia	1992	0.3	182.4	312.4	10.7	11.5	
New Zealand	1992	0.5	201.3	353.6	32.6	18.8	

Number of marriages and divorces per one thousand inhabitants in some countries

Country	1980	1985	1987	1988	1989	1990	1991	1992	1993	1994	1995
Austria	6.2	5.9	10.1	4.7	5.6	5.8	5.6	5.8	5.6	5.4	5.4
Belgium	6.7	5.8	5.8	6.0	6.4	6.6	6.2	5.8	5.4	5.2	5.1
Bulgaria	7.9	7.4	7.2	7.0	7.0	6.7	5.4	5.0	4.9	4.5	4.0
Czechoslovakia ^{a)}	7.7	7.7	7.8	7.6	7.5	8.4	7.0	7.2	6.4	5.6	5.3
Denmark	5.2	5.7	6.1	6.3	6.0	6.1	6.0	6.2	6.1	6.8	6.7
Finland	6.1	5.3	5.4	5.3	4.9	5.0	4.9	4.7	4.9	4.7	4.5
France	6.2	4.9	4.8	4.9	5.0	5.1	4.9	4.7	4.4	4.4	..
Greece	6.5	6.4	6.3	5.2	6.0	5.8	6.0	4.7	5.9	5.4	5.9
The Netherlands	6.4	5.7	6.0	6.0	6.1	6.4	6.3	6.4	5.8	5.4	5.2
Slovakia						7.6	6.2	6.4	5.8	5.3	5.1
Yugoslavia ^{b)}	7.7	7.0	7.0	6.8	6.7	6.2	no data	6.0	5.8	5.7	5.7
Poland	8.6	7.2	6.7	6.5	6.8	6.7	6.0	5.7	5.4	5.4	5.4

Hungary	7.5	6.9	6.3	6.3	6.4	6.4	5.9	5.5	5.3	5.3	5.2
Great Britain	7.4	6.9	7.0	6.9	6.8	6.8	6.1	6.0	5.9	5.7	-
GDR	8.0	7.9	8.5	8.2	7.9	no data	no data				
FRG ^{c)}	5.9	6.0	6.2	6.5	6.4	6.6	6.3	5.7	5.4	5.4	5.3
Norway	5.4	4.9	5.0	5.2	4.9	5.2	4.7	4.5	4.5	4.6	-
Italy	5.7	5.2	5.3	5.5	5.4	5.4	5.5	5.4	4.8	5.0	no data
Romania	8.2	7.1	7.3	7.5	7.7	8.3	7.9	7.7	7.1	6.7	6.8
Switzerland	5.6	6.0	6.6	6.9	6.8	6.9	7.0	6.6	6.2	6.1	5.6
Sweden	4.5	4.6	4.9	5.2	12.8	4.7	4.3	4.3	3.9	3.9	3.8
Soviet Union ^{d)}	10.3	9.8	9.8	9.4	9.4	8.8	8.5	7.1	7.5	7.3	7.3
Israel	7.6	6.9	6.9	6.9	7.0	7.0	6.6	6.5	6.2	no data	6.1
Japan	6.7	6.1	5.7	5.8	5.8	5.8	6.0	6.1	6.4	6.3	6.4
USA	10.5	10.1	9.9	9.7	9.7	9.8	9.4	9.2	9.0	9.1	no data
Canada	8.0	7.3	7.1	7.3	7.3	7.1	no data	5.8	5.5	5.4	no data
Cuba	7.1	8.0	7.7	7.9	8.1	9.6	15.1	17.7	no data	no data	no data
Australia	7.3	7.3	7.0	7.1	7.0	6.9	6.6	6.6	6.4	6.2	6.1
New Zealand	7.4	7.6	7.5	7.1	6.9	7.0	6.8	6.5	6.4	6.3	6.2
Divorces											
Austria	1.8	2.0	1.9	2.0	2.0	2.1	2.1	2.1	2.1	-	-
Belgium	1.5	1.9	-	-	-	2.0	2.1	-	2.1	-	-
Bulgaria	1.5	1.6	1.3	1.4	1.4	1.3	-	1.1	-	-	-
Czechoslovakia ^{a)}	2.2	2.5	2.5	2.5	2.5	2.6					
Denmark	2.7	2.8	2.8	2.9	3.0	2.7	2.5	2.5	2.5	-	-
Finland	2.0	1.9	2.1	no data	2.9	2.6	-	2.5	2.4	-	-
France	no data	2.0	1.9	1.9	no data	1.9	1.9	-	-		-
Greece	0.7	0.8	-	-	-	0.6	0.6	0.6	0.7	0.7	-
The Netherlands	1.8	2.4	1.9	1.9	1.9	1.9	1.9	2.0	2.0	2.4	-
Czech Rep.							2.9	2.8	2.9	-	3.0
Slovakia						1.7	-	-	1.5	1.6	1.7
Yugoslavia ^{b)}	-	1.0	1.0	0.9	1.0	0.9	1.0	0.8	0.6	0.7	-
Poland	1.1	1.3	1.3	1.3	1.3	1.1	0.9	0.8	0.7	0.8	1.0
Hungary	2.6	2.8	2.8	2.3	2.4	2.4	2.4	2.1	2.2	2.3	2.4
Great Britain	3.0	3.1	2.9	2.9	2.9	2.9	3.0	3.0	3.8	-	-

GDR	2.7	3.1	3.0	3.0	3.0	no data					
FRG^{c)}	1.6	2.1	2.1	2.1	2.0	no data	1.7	1.7	1.9	-	-
Norway	.6	2.0	2.0	2.1	2.2	2.4	2.4	2.4	2.5	2.5	-
Italy	0.2	0.3	0.5	0.4	-	0.5	0.5	0.5	0.4		
Romania	1.5	1.4	1.5	1.6	1.6	1.4	1.6	1.3	1.4	1.7	-
Switzerland	1.7	1.8	1.8	1.9	1.9	1.9	2.0	2.1	2.2	2.1	-
Sweden	2.4	2.4	2.2	2.1	2.2	2.3	2.3	2.5	2.5	-	-
Soviet Union^{d)}	3.5	3.4	3.4	3.3	3.4	3.8	4.0	4.3	4.5	-	-
Israel	1.1	1.2	1.2	1.3	1.3	1.4	1.3	1.4	1.4	-	-
Japan	1.2	1.4	1.3	1.3	1.3	1.3	1.4	1.4	1.5	-	-
USA	5.2	5.0	4.8	4.8	no data	4.7	4.8	4.6	-	-	
Canada	2.6	2.5	3.1	-	-	2.9	2.8	2.7	-	-	-
Cuba	2.5	2.9	3.2	3.4	3.6	3.5	4.1	5.9	6.0	-	-
Australia	2.7	2.5	2.4	2.5	2.5	2.5	2.6	2.6	2.7	-	-
New Zealand	2.1	2.6	2.7	2.6	2.6	2.7	2.7	2.7	-	-	

^{a)}Data on the Czech Republic as of 1991; ^{b)}Data on Serbia and Montenegro as of 1992; ^{c)}Data on Germany as of 1991.

^{d)}Data on Russia as of 1990.

Trends in consumer prices, 1978-96 (% variation)

Region avg. Of	1978-87	1988	1989	1990	1991	1992	1993	1994	
Developed industrial countries	6.7	3.4	4.4	5.0	4.5	3.3	2.9	2.3	
Developing countries*	27.4	50.8	59.5	61.8	33.3	35.7	42.7	46.8	

*Countries have been grouped on the basis of IMF membership: including the rest of the member countries among the developing countries. without the 21 most developed democracies;

**Estimate.

Shares of certain countries and regions in the world's total GDP (%)

Country/ Region	1980	1986	1987-89	1994
Japan	9	13	15	16
USA	23	28	27	26
Developed democracies	68	72	76	74
Developing countries	19	15	24	19
China	2	2	no data	3
Countries in transition*	no data	no data	no data	*
Eastern Europe	no data	no data	no data	2

* Including the former Soviet Union

Annual consumer price inflation (%)

Country/Region	1980	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992
Developed democracies collectively	14.2	8.6	6.1	6.3	5.7	3.7	4.7	3.9	4.3	5.8	5.2	4.1
USA	13.5	6.1	3.2	4.3	3.6	1.9	3.7	4.0	4.8	5.4	4.2	3.1
Canada	10.2	10.8	5.8	4.4	4.0	4.1	4.4	4.0	5.0	4.8	5.6	3.1
Japan	2.6	2.8	1.8	2.2	2.0	0.6	0.1	0.7	2.3	3.1	3.3	1.1
Germany ^{a)}	5.4	5.3	3.3	2.4	2.2	-0.2	0.2	1.2	2.8	2.7	3.5	5.1
France	13.6	11.8	9.6	7.4	5.8	2.5	3.3	2.6	3.6	3.4	3.2	2.1
Italy	21.2	16.5	14.7	10.8	9.2	5.8	4.6	5.0	6.6	6.1	6.4	5.1
Great Britain	18.0	8.6	4.6	5.0	6.1	3.4	4.1	5.0	7.8	9.5	5.9	4.1
Hungary	9.1	6.9	7.3	8.3	7.0	5.3	8.6	15.5	17.0	28.9	35.0	23.1
China	no d.	2.0	2.0	2.8	8.8	6.0	7.3	18.5	16.3	1.3	no d.	no d.
Czechoslovakia												
Slovakia	2.9	5.1	0.9	0.9	2.2	0.5	0.1	0.1	1.4	10.0	57.9	10.1
Czech Republic												1.1
Poland	no d.	104.5	21.4	14.8	15.1	17.7	25.2	60.2	251.1	585.8	70.3	4.1

^{a)}Data of the Federal Republic of Germany prior to 1992.

Annual rate of capital investment in developed democracies (%)

Country/Region	1985	1986	1987	1988	1989	1990	1991	1992
USA	5.5	0.6	1.0	3.7	1.6	-0.6	-5.3	5.8
Japan	5.3	4.8	9.6	11.9	9.3	8.8	3.7	-1.1
Germany	0.0	3.6	2.5	4.6	5.6	9.0	9.8	3.5
France	3.4	4.6	5.0	9.6	7.5	3.0	0.0	-3.1
Italy	0.6	2.2	5.0	6.9	4.3	3.8	0.6	-1.7
Great Britain	4.2	2.6	10.3	13.9	6.0	-3.5	-9.5	-1.5
Canada	9.5	6.2	10.8	10.3	6.1	-3.5	-2.9	-1.5
Large Countries*	4.6	3.1	3.9	5.9	4.6	1.9	-2.6	1.9
Small European Countries**	4.3	7.5	5.3	7.9	7.6	2.6	-1.4	no data
Australia	9.9	-2.3	3.6	7.8	9.2	-8.1	-9.4	1.4
OECD	4.4	3.0	5.3	7.6	5.8	3.5	-0.4	0.8
European Union (at 15)	2.5	3.9	5.3	8.2	7.0	3.9	0.5	-1.0

* USA; France, Japan, Canada, Great Britain, Germany and Italy.

** Austria, Belgium, Denmark, Finland, Greece, Iceland, Ireland, Luxembourg, The Netherlands, Norway, Portugal, Spain, Sweden, Switzerland and Turkey.

Annual consumer price inflation (%)

Country/Region	1980	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992
Developed democracies collectively	14.2	8.6	6.1	6.3	5.7	3.7	4.7	3.9	4.3	5.8	5.2	4.0
USA	13.5	6.1	3.2	4.3	3.6	1.9	3.7	4.0	4.8	5.4	4.2	3.0
Canada	10.2	10.8	5.8	4.4	4.0	4.1	4.4	4.0	5.0	4.8	5.6	1.0
Japan	2.6	2.8	1.8	2.2	2.0	0.6	0.1	0.7	2.3	3.1	3.3	1.0
Germany^{a)}	5.4	5.3	3.3	2.4	2.2	-0.2	0.2	1.2	2.8	2.7	3.5	5.0
France	13.6	11.8	9.6	7.4	5.8	2.5	3.3	2.6	3.6	3.4	3.2	2.0
Italy	21.2	16.5	14.7	10.8	9.2	5.8	4.6	5.0	6.6	6.1	6.4	5.0
Great Britain	18.0	8.6	4.6	5.0	6.1	3.4	4.1	5.0	7.8	9.5	5.9	4.0
Hungary	9.1	6.9	7.3	8.3	7.0	5.3	8.6	15.5	17.0	28.9	35.0	23.0
China	no d.	2.0	2.0	2.8	8.8	6.0	7.3	18.5	16.3	1.3	no d.	no d.
Czechoslovakia	2.9	5.1	0.9	0.9	2.2	0.5	0.1	0.1	1.4	10.0	57.9	10.0
Slovakia												10.0
Czech Republic												11.0
Poland	no d.	104.5	21.4	14.8	15.1	17.7	25.2	60.2	251.1	585.8	70.3	43.0

^{a)}Data of the Federal Republic of Germany prior to 1992.

Price Index trends in some countries (A: all products; B: fodds)

Country		1980=100				1990=100			
	1984	1987	1988	1989	1991	1992	1993	1994	1995
Australia	A		139.5	176.2	189.0	203.3	218.0	225.1	104.3
B		136.5	166.8	180.0	195.8	204.2	211.1	104.8	107.2
Austria	A		122.9	130.9	133.4	136.8	141.3	145.9	107.5
B		119.7	126.3	127.3	128.9	132.7	138.1	108.2	111.3
Brazil	A		2380.4	53009.2	363795.0	1301.0*	30039.3	199340	100.0
B		2703.3	57875.4	429302.0	1397.0*	38110.2	188465	100.0	1995.1
Czechoslovakia	A		107.9	111.0	111.3	112.7	124.0	195.7	
B		110.8	114.3	113.9	114.1	126.8	184.1		
The Netherlands	A		120.0	122.0	122.8	124.2	127.2	132.1	106.4
B		116.9	115.1	115.4	116.4	119.0	122.7	106.1	106.9
Hong Kong	A		150.0	168.0	180.4	198.7	217.8	243.3	122.0
B		150.6	160.3	175.7	197.5	217.2	241.7	121.0	129.8
Israel	A		5560.4	39937.5	46447.3	55832.6	65417.6	77838.2	133.2

B	5195.8	38908.7	46029.0	55483.8	60230.7	68518.3	137.3	135.0	150.3	
Poland	A	341.8	597.7	928.7	3260.7	22326.0	38082.3	243.5	329.5	
B	400.7	687.0	985.7	3945.8	24984.8	37727.0	206.6	273.7	362.9	
Hungary	A	130.0	159.1	183.8	215.0	277.1	374.1	166.1	203.4	
B	127.7	151.1	115.0	206.0	278.5	339.5	146.6	188.1	232.1	304
Singapore	A	116.2	116.3	118.1	120.8	124.9	129.3	105.8	108.4	
B	117.1	113.9	115.4	117.2	118.1	119.8	102.8	103.7	107.7	
Switzerland	A	119.2	126.0	128.4	132.5	139.6	147.8	110.2	113.8	
B	125.1	132.0	135.3	137.6	145.1	151.7	105.5	105.8	106.3	
Sweden	A	143.2	167.0	176.7	188.1	207.6	227.2	111.9	117.1	
B	161.0	191.1	201.6	213.2	229.2	239.1	99.2	99.9	101.6	
Saudi Arabia	A	102.7	94.4	95.3	96.2	no data	100.1	104.2	105.0	
B	106.3	100.0	100.0	102.2	no data	107.2	111.5	113.0	111.3	
Soviet Union	A	104.2	109.0	109.8	111.8	117.6				
B	106.6	120.0	121.4	122.3	125.2	-				
Czech Rep. ^{a)}	A	-	-	-	-	-	-	111.1	134.2	
	-	-	-	-	-	-	109.1	127.3	139.2	
Slovakia ^{a)}	A	-	-	-	-	-	-	110.1	135.5	
B							107.0	129.7	150.8	
Russian Federation ^{a)}	A							1629.4	16016.0	
B							1689.6	16759.4	67337.7	

^{a)}1988=100

Average annual consumer price index growth rate by main spending groups (%)

Country	Total		Food		Rent		Energy		
1991-1995	1996	1991-1995	1996	1991-1995	1996	1991-1995	1996	1991-1995	
Austria	3.2	1.8	2.5	0.2	5.4	4.2	0.9	5.4	
Belgium	2.5	2.1	0.8	0.7	4.2	2.5	0.6	3.2	
Denmark	1.9	2.2	1.6	1.8	3.0	1.6	-0.04	5.8	
USA	3.2	2.3	2.3	3.3	3.4	3.2	2.1	3.1	
France	2.3	2.0	1.7	1.5	3.9	2.4	1.2	5.1	
The Netherlands	2.7	2.1	1.4	-0.2	5.1	4.1	0.5	7.2	
Japan	1.4	0.3	1.2	-0.2	2.7	1.5	0.6	-0.2	
Canada	2.3	1.5	1.8	1.4	2.3	1.3	4.2	1.6	

Hungary	25.4	23.6	10.4	17.3	21.8 ^{a)}	-	38.0	32.5	
Great Britain	3.4	2.5	3.3	3.4	0.3	4	3.0	0.2	
Germany ¹⁾	2.2	1.5	1.6	0.7	5.9	3.4	1.0	-1.5	
Italy	5.1	-	4.6	-	6.3	-	5.2	-	
Switzerland	3.2	0.2	1.8	1.0	4.7	1.4	0.8	5.3	

¹⁾Data of Germany since 1991.

^{a)}Period of 1992 to 1995.

Per-capita budget revenue (USD)

Country/Region	1985	1986	1987	1988	1989	1990	1991	1992	
Australia	3,193	3,400	3,990	4,905	5,299	5,300	5,071	4,871	
Austria	3,712	5,280	6,550	7,015	6,799	8,473	8,830	10,214	
Belgium	3,851	5,350	6,738	7,047	6,855	8,665	8,840	9,861	
Denmark	5,565	8,168	10 286	10,951	10,341	12,235	12,266	13,488	
USA	4,740	4,946	5,399	5,707	6,117	6,358	6,220	6,419	
Finland	4,080	5,520	6,492	8,068	8,719	10,469	11,312	9,889	
France	4,125	5,809	7,095	7,553	7,509	9,229	9,243	10,059	
Greece	1,182	1,459	1,725	1,841	1,795	2,371	2,704	3,078	
The Netherlands	3,901	5,503	7,020	7,456	6,909	8,449	9,087	9,918	
Ireland	2,020	2,786	3,307	3,810	3,630	4,519	4,618	5,201	
Japan	3,111	4,698	5,954	7,264	7,283	7,601	8,416	8,630	
Canada	4,672	4,910	5,772	6,652	7,502	8,042	7,764	7,336	
Luxembourg	4,719	6,537	8,248	8,997	9,174	11,516	12,106	13,599	
Great Britain	3,052	3,707	4,469	5,423	5,396	6,232	6,274	6,362	
Norway	6,664	8,327	9,539	10,164	9,792	11,533	11,543	12,065	
FRG	3,867	5,480	6,886	7,319	7,293	8,882	10,242 ^{a)}	11,828 ^{a)}	11,328
Italy	2,565	3,794	4,778	5,360	5,725	7,432	8,050	9,037	
Portugal	6,79	1,018	1 188	1,479	1,625	2,107	2,490	3,214	
Spain	1,239	1,828	2,460	2,910	3,385	4,334	4,717	5,325	
Switzerland	4,544	6,698	8 267	8,953	8,377	10,490	10,578	11,165	
Sweden	6,068	8,407	10 735	11,917	12,537	15,154	14,911	14,566	
Turkey	0,205	0,257	0,311	0,300	0,362	0,528	0,553	0,611	
New Zealand	2,299	2,957	4,042	4,744	4,931	4,814	4,477	4,298	
OECD countries									
in total	3,483	4,643	5,733	6,390	6,429	7,600	7,083	7,504	
European OECD									
countries	3,451	4,764	5,918	6,531	6,482	7,910	7,556	8,111	

EEC countries	3,071	4,287	5,350	5,845	5,803	7,164	8,379 ^{b)}	9,043 ^{b)}	8,231
Czech Rep.,							-	-	
Poland							0,744	0,841	
Hungary							1,367	1,527	

^{a)}Germany

^{b)}European Union (15 countries)

Unemployment in Eastern European countries as a perceive of the working population, 1992-96

Country	1992	1993	1994	1995	1996
Bulgaria	13.2	16.3	-	-	-
Czech Rep.	3.1	3.9	3.8	3.6	3.4
Poland	12.9	14.0	14.4	13.3	12.4
Estonia	0.9	2.1	1.8	1.8	2.2
Latvia	1.1	4.7	6.3	6.3	-
Hungary	-	11.3	10.2	9.3	9.2
Romania	6.2	9.2	11.0	9.9	-
Slovakia	11.3	12.2	13.3	12.8	10.9
Slovenia	11.5	14.4	9.0	7.4	7.3

Leading target countries for the influx of private capital (USD billion)

Country	1990	1991	1992	1993	1994	1995	1996*
China	8.1	7.5	21.3	39.6	44.4	44.3	52.0
Mexico	8.2	12.0	9.2	21.2	20.7	13.1	28.1
Brazil	0.5	3.6	9.8	16.1	12.2	19.1	14.7
Malaysia	1.8	4.2	6.0	11.3	8.9	11.9	16.0
Indonesia	3.2	3.4	4.6	1.1	7.7	11.6	17.9
Thailand	4.5	5.0	4.3	6.8	4.8	9.1	13.3
Argentina	-0.2	2.9	4.2	13.8	7.6	7.2	11.3
India	1.9	1.6	1.7	4.6	6.4	3.6	8.0
Russia	5.6	0.2	10.8	3.1	0.3	1.1	3.6
Turkey	1.7	1.1	4.5	7.6	1.6	2.0	4.7
Chile	2.1	1.2	1.6	2.2	4.6	4.2	4.6
Hungary	-0.3	1.0	1.2	4.7	2.8	7.8	2.5

Consumption and sales taxes as a percentage of GDP

Country/Region	1985	1986	1987	1988	1989	1990	1991	1992	1993	
Australia	9.9	9.6	9.4	8.7	8.7	8.5	8.1	8.2	8.6	
Austria	14.0	13.8	13.7	13.5	13.4	13.1	12.8	13.1	12.7	
Belgium	11.7	11.4	11.7	11.4	11.3	11.4	11.8	11.7	12.1	
Denmark	16.8	17.9	17.4	17.5	16.6	16.2	16.2	16.0	15.8	
USA	5.2	5.1	5.0	5.0	4.8	4.9	4.7	4.8	4.9	
Finland	13.4	13.7	13.8	14.2	14.3	14.2	14.9	14.8	14.6	
France	13.2	12.9	13.0	12.9	12.5	12.3	11.9	11.8	11.7	
Greece	15.0	16.8	17.8	16.1	15.0	16.7	17.4	18.7	18.1	
The Netherlands	11.5	11.9	12.6	12.5	12.0	11.9	12.0	12.0	12.0	
Ireland	16.9	17.1	16.5	17.0	16.4	15.8	14.6	14.5	13.9	
Japan	3.9	3.8	3.8	3.9	3.9	4.1	4.1	4.1	4.2	
Canada	10.5	10.0	10.1	10.3	10.4	10.2	9.5	9.5	9.5	
Luxembourg	12.0	11.7	12.0	12.2	11.7	11.8	11.5	12.1	12.1	
Great Britain	11.8	11.8	11.7	11.6	11.3	11.1	11.7	12.1	11.8	
Norway	17.8	19.4	19.2	17.9	16.7	16.4	14.7	15.3	15.4	
FRG	9.8	9.5	9.7	9.5	9.8	10.3	10.3 ^{a)}	10.5 ^{a)}	10.9 ^{a)}	11.3
Italy	8.7	9.4	9.6	10.4	10.2	11.0	11.1	11.4	11.3	
Portugal	13.5	16.8	15.5	16.7	15.8	15.2	13.3	14.3	13.4	
Spain	8.3	10.2	10.0	10.1	10.0	9.7	9.8	10.2	9.4	
Switzerland	6.1	6.1	6.1	6.1	5.9	5.8	5.6	5.4	5.5	
Sweden	13.3	13.2	13.6	13.4	13.5	14.0	14.2	13.2	13.6	
Turkey	7.1	7.1	7.7	7.2	7.2	7.8	6.1	6.7	7.2	
New Zealand	7.9	8.8	12.4	11.8	12.9	12.9	12.8	12.9	12.2	
OECD Countries										
in total	11.5	11.9	12.1	12.0	11.8	11.8	11.5	11.8	11.9	
European DECD										
countries	12.6	13.0	13.1	13.1	12.7	12.7	12.4	12.8	12.9	
EEC countries	12.4	13.1	13.1	13.2	12.7	12.8	12.9 ^{b)}	13.1 ^{b)}	12.9 ^{b)}	13.2
Czech Rep.								-	16.0	
Poland							9.8	11.6	14.5	
Hungary							14.9	16.4	16.5	16.5

^{a)}Germany

^{b)}European Union (15 countries)

Wage and employment taxes as a percentage of GDP

Country/Region	1985	1986	1987	1988	1989	1990	1991	1992	1993
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Australia	1.4	1.6	1.7	1.7	1.7	1.9	1.9	1.8	1.7	
Austria	2.5	2.5	2.5	2.4	2.5	1.5	2.5	2.5	2.5	
Finland	0.2	-	-	-	-	-	-	-	-	
France	0.9	0.9	0.9	0.8	0.8	0.8	0.8	0.9	1.0	
Greece	0.5	0.6	0.4	0.4	0.6	0.3	0.2	0.2	0.2	
Ireland	0.9	0.7	0.5	0.6	0.5	0.5	0.5	0.5	0.7	
Luxembourg	0.3	0.3	-	-	-			-	-	
Italy	0.2	0.2	0.2	0.2	0.2	0.1	0.1	0.1	0.1	
Sweden	2.2	2.4	2.5	1.9	1.8	1.8	1.9	1.5	0.6	
OECD Countries in total	0.5	0.4	0.4	0.4	0.4	0.4	0.6	0.4	0.3	
European DECD countries	0.5	0.5	0.4	0.4	0.4	0.4	0.6	0.4	0.3	
EEC countries	0.3	0.2	0.2	0.2	0.2	0.2	0.4 ^{a)}	0.4 ^{a)}	0.4 ^{a)}	0.4 ^{a)}
Czech Rep.							-	-	0.7	
Poland							6.2	1.9	0.9	
Hungary							0.1	0.1	0.1	0.1

^{a)}European Union (15 countries)

Property tax as a percentage of GDP

Country/Region	1985	1986	1987	1988	1989	1990	1991	1992	1993	
Australia	2.4	2.5	2.8	3.0	2.7	2.7	2.8	2.9	3.0	
Austria	1.1	1.0	1.0	1.1	1.1	1.1	1.1	1.2	1.1	
Belgium	0.8	0.9	1.1	1.1	1.2	1.2	1.1	1.1	1.2	
Denmark	2.1	2.4	2.6	2.4	2.2	2.0	1.8	2.0	2.1	
USA	2.9	3.0	3.1	3.0	3.1	3.2	3.2	3.2	3.2	
Finland	1.1	1.2	1.2	1.4	1.5	1.1	1.1	1.0	1.3	
France	2.0	2.1	2.1	2.2	2.3	2.3	2.2	2.3	2.3	
Greece	0.9	1.0	1.0	1.0	1.1	1.7	1.5	1.8	1.5	
The Netherlands	1.6	1.6	1.8	1.7	1.7	1.7	1.7	1.7	1.8	
Ireland	1.5	1.5	1.7	1.6	1.8	1.7	1.7	1.6	1.5	
Japan	2.7	3.1	3.3	3.4	3.1	2.8	2.9	3.1	3.2	
Canada	3.1	3.2	3.1	3.1	3.2	3.3	3.9	4.1	4.1	
Luxembourg	2.8	3.0	3.4	3.7	4.0	4.3	3.3	3.3	3.4	
Great Britain	4.5	4.9	4.9	4.8	4.7	3.1	2.9	2.7	3.6	
Norway	0.9	1.0	1.2	1.3	1.3	1.3	1.2 ^{a)}	1.2 ^{a)}	1.1 ^{a)}	1.1 ^{a)}
FRG	1.2	1.2	1.2	1.2	1.2	1.2	1.1	1.1	1.1	
Italy	0.9	1.0	0.9	0.9	0.9	0.9	1.0	1.5	2.4	

Portugal	0.6	0.6	0.6	0.7	0.5	0.8	0.9	0.8	0.8	
Spain	1.0	1.1	1.6	1.7	1.8	1.9	1.7	1.7	1.8	
Switzerland	2.6	2.8	2.7	2.7	2.8	2.5	2.2	2.3	1.4	
Sweden	1.2	1.5	3.2	1.7	1.9	2.0	2.2	1.8	1.6	
Turkey	0.9	0.8	0.8	0.6	0.6	0.6	0.5	0.5	0.5	
New Zealand	2.5	2.5	2.4	2.3	2.5	2.4	2.3	2.2	2.0	
OECD Countries in total	1.8	1.9	2.1	2.0	2.1	2.0	1.8	1.8	1.9	
European OECD countries	1.6	1.7	1.8	1.8	1.8	1.8	1.6	1.6	1.7	
EEC countries	1.7	1.8	1.9	1.9	1.9	1.9	1.7 ^{b)}	1.7 ^{b)}	1.8 ^{b)}	1.8 ^{b)}
Czech Rep							-	-	0.5	
Poland							1.2	1.1	1.2	
Hungary							0.5	0.5	0.4	0.5

a)Germany; b)European Union (15 countries)

Social security contribution as a percentage of GDP

Country/Region	1985	1986	1987	1988	1989	1990	1991	1992	1993	
Austria	13.7	13.7	13.7	13.8	13.7	13.7	13.7	14.3	14.8	
Belgium	15.7	15.9	16.2	15.8	15.4	15.6	15.6	15.8	16.1	
Denmark	1.9	1.5	1.9	1.3	1.4	1.5	1.5	1.5	1.6	
USA	8.6	8.6	8.7	8.7	8.6	8.8	7.0	7.0	6.9	
Finland	3.4	3.5	3.2	3.1	3.0	2.8	11.3	10.9	12.0	
France	19.3	18.8	19.1	19.0	19.2	19.3	19.2	19.4	19.6	
Greece	12.5	12.0	11.6	10.8	10.5	10.4	12.4	12.7	13.9	
The Netherlands	19.9	19.6	20.7	20.5	18.9	16.9	17.6	18.2	18.2	
Ireland	5.6	5.5	5.4	5.7	5.4	5.5	5.4	5.5	5.6	
Japan	8.4	8.5	8.5	8.5	8.6	9.2	9.3	9.4	9.8	
Canada	4.5	4.7	4.7	4.7	4.7	5.3	5.7	6.0	5.9	
Luxembourg	12.6	12.4	14.0	13.7	13.4	13.9	12.1	12.6	12.4	
Great Britain	6.7	6.9	6.7	6.9	6.6	6.4	6.2	6.3	6.0	
Norway	9.8	11.1	11.3	12.2	12.5	12.1	10.9	11.0	10.1	
FRG	13.9	14.0	14.2	14.1	13.9	13.9	14.7 ^{a)}	15.0 ^{a)}	15.2 ^{a)}	15.4 ^{a)}
Italy	11.9	12.4	12.4	12.3	12.5	12.9	13.1	13.3	13.8	
Portugal	8.2	8.9	8.9	9.3	9.2	9.6	8.6	8.5	8.4	
Spain	11.9	11.7	11.8	11.6	12.0	12.2	12.4	13.2	13.2	
Switzerland	10.3	10.2	10.3	10.4	10.4	10.4	10.7	11.0	12.4	
Sweden	12.5	13.3	13.5	13.9	14.6	15.7	15.6	15.0	13.7	

countries	2.8	2.9	2.7	2.7	2.6	2.7	2.9 ^{b)}	2.4 ^{b)}	2.7 ^{b)}	2.7 ^{b)}
EEC countries	3.1	3.1	3.1	3.1	3.1	3.1	2.6	2.4	2.6	
Czech Rep.							-	-	7.9	
Poland							7.3	4.6	4.3	
Hungary							5.2	2.5	1.7	1.9

^{a)}Germany; ^{b)}European Union (15 countries)

Income tax of individual as a percentage of GDP

Country/Region	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994
Australia	13.6	14.4	14.0	14.0	13.5	13.3	12.1	11.8	11.8	
Austria	9.9	10.0	9.6	9.5	8.2	8.8	9.1	9.3	9.4	
Belgium	16.2	15.8	15.5	14.7	13.6	13.8	13.9	14.0	13.7	
Denmark	24.6	24.4	25.4	26.4	26.1	25.6	26.1	26.4	26.4	
USA	10.4	10.2	10.9	10.2	10.6	10.7	9.8	9.6	9.8	
Finland	17.4	18.6	16.3	17.5	16.9	17.8	17.4	18.3	16.2	
France	5.7	5.6	5.7	5.3	5.1	5.2	5.9	6.0	6.1	
Greece	4.9	4.9	4.7	4.9	4.4	5.3	4.8	4.1	3.8	
The Netherlands	8.7	9.3	9.5	9.9	9.7	11.2	12.3	11.6	12.1	
Ireland	11.9	12.7	13.5	14.1	11.8	11.9	11.6	11.6	11.7	
Japan	6.8	7.1	7.1	7.0	7.6	8.4	8.3	7.4	7.5	
Canada	11.6	12.4	13.4	12.8	13.6	15.2	15.0	14.3	13.6	
Luxembourg	13.2	12.7	12.4	11.8	11.2	12.1	9.5	9.2	9.2	
Great Britain	10.1	10.2	9.9	9.9	9.8	10.4	10.3	9.9	9.3	
Norway	10.6	11.5	12.7	13.3	12.6	12.0	10.9	10.4	10.2	
FRG	10.9	10.8	11.0	10.9	11.3	10.3	10.4 ^{a)}	10.9 ^{a)}	10.6 ^{a)}	10.4 ^{a)}
Italy	9.2	10.0	9.5	9.9	10.1	10.3	10.5	11.3	11.9	
Spain	5.7	5.3	7.0	7.1	7.9	7.5	8.1	8.4	8.4	
Switzerland	11.2	11.4	10.9	11.1	10.6	11.0	10.7	11.1	10.9	
Sweden	19.4	20.1	20.8	21.5	21.9	21.6	18.0	18.0	18.3	
Turkey	5.4	6.1	6.0	5.4	6.7	7.4	6.0	6.2	6.1	
New Zealand	20.4	20.2	19.1	19.1	18.4	17.8	16.3	16.2	16.0	
DECD Countries										
in total	11.5	11.7	11.8	11.9	11.4	11.7	10.7	11.0	10.7	
European OECD										
countries	11.1	11.4	11.5	11.7	11.1	11.4	10.3 ^{b)}	10.8 ^{b)}	10.5 ^{b)}	10.5 ^{b)}
EEC countries	11.0	11.1	11.3	11.3	10.5	10.8	11.6	11.7	11.6	
Czech Rep.							-	-	4.3	

Poland							1.0	7.7	9.2	
Hungary							6.6	6.7	7.1	6.5

a)Germany; b)European Union (15 countries)

Budget revenues (also including those of Social Security) as a percentage of GDP

Country/Region	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994
Australia	30.0	30.8	31.1	30.5	30.4	30.8	29.1	28.7	28.8	
Austria	43.1	42.9	42.3	42.1	41.2	41.6	41.9	43.2	43.5	
Belgium	47.6	47.3	47.7	46.3	44.6	44.9	44.9	44.9	46.6	
Denmark	49.0	50.8	51.5	51.7	50.4	48.6	48.8	49.2	50.3	
USA	29.2	28.9	30.2	29.4	29.6	29.9	26.8	26.7	27.0	
Finland	37.0	38.5	35.9	37.8	37.4	38.0	46.9	46.8	45.4	
France	44.5	44.0	44.5	43.8	43.7	43.7	43.9	43.7	43.9	
Greece	35.1	36.9	37.3	34.7	33.3	36.5	39.0	40.8	41.2	
The Netherlands	44.9	45.8	48.5	48.4	45.8	45.2	47.2	46.8	47.7	
Ireland	38.0	38.8	38.9	40.6	37.0	37.2	35.8	36.2	36.4	
Japan	27.6	28.4	29.7	30.3	30.7	31.3	30.8	29.2	29.1	
Canada	33.1	33.7	34.7	34.5	35.4	37.1	36.7	36.4	35.8	
Luxembourg	50.1	48.1	50.1	49.7	48.8	50.3	42.9	42.5	44.3	
Great Britain	37.9	37.6	37.1	37.3	37.0	36.7	35.7	35.1	33.4	
Norway	47.6	50.0	47.9	47.8	46.0	46.3	41.8	41.0	40.2	
FRG	38.1	37.7	38.0	37.7	38.3	37.7	38.2 ^{a)}	39.0 ^{a)}	39.1 ^{a)}	39.3 ^{a)}
Italy	34.4	36.1	36.3	37.0	37.9	39.1	39.7	42.1	43.8	
Portugal	31.6	33.4	31.5	34.6	35.1	34.6	31.7	33.4	31.4	
Spain	28.8	30.6	32.5	32.7	34.6	34.4	34.7	36.0	35.0	
Switzerland	32.0	32.5	32.0	32.6	31.7	31.7	31.2	31.9	33.2	
Sweden	50.4	53.0	56.1	55.5	56.0	56.9	53.7	51.0	50.1	
Turkey	19.7	22.8	24.1	22.8	25.4	27.8	21.0	22.4	22.7	
New Zealand	34.1	34.4	37.9	37.2	39.3	38.2	36.3	36.2	35.6	
OECD Countries in total	37.2	38.0	38.5	38.6	38.4	38.8	37.4	37.6	38.1	
Country/Region	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994
European OECD countries	38.9	39.8	40.1	40.3	39.8	40.2	39.5	39.9	40.5	
EEC countries	40.0	40.6	41.2	41.2	40.6	40.8	41.7 ^{b)}	42.0 ^{b)}	42.1 ^{b)}	42.5 ^{b)}
Czech Rep							-	-	47.8	
Poland							37.2	38.2	42.4	
Hungary							42.4	42.4	42.0	41.0

^{a)}Germany

^{b)}European Union (15 countries)

Trends in Official Reserves at the End of the Year in Some Countries (USD million)

	1993	1994	1995	1996	1997	1998
Austria	14 611	16 822	18 730	22 865	19 736	22 432
IMF reserve position	524	531	682	809	963	1365
Foreign exchange	13 866	16 008	17 867	21 861	18 605	20 918
SDR	161	194	122	136	125	106
Brazil	30 604	37 070	49 708	58 323	50 827	42 580
IMF reserve position	0	0	0	0	0	0
Foreign exchange	30 602	37 069	49 707	58 322	50 826	42 578
SDR	2	0	1	1	1	2
United States	62 353	63 284	74 782	64 041	58 907	70 715
IMF reserve position	11 798	12 030	14 649	15 435	18 071	24 111
Foreign exchange	41 532	41 215	49 096	38 294	30 809	36 001
SDR	9 023	10 039	11 037	10 312	10 027	10 603
France	22 649	26 257	26 853	26 796	30 928	44 312
IMF reserve position	2 310	2 375	2 756	2 695	2 859	4 452
Foreign exchange	2 008	23 520	23 142	23 120	27 097	38 753
SDR	331	362	955	981	971	1 107
Japan	98 524	125 860	183 250	216 648	219 648	215 471
IMF reserve position	8 261	8 631	8 100	6 671	9 144	9 593
Foreign exchange	88 720	115 146	172 443	207 335	207 866	203 215
SDR	1 543	2 083	2 707	2 642	2 638	2 663
Canada	1 248	12 886	15 049	20 422	17 823	23 308
IMF reserve position	948	919	1 243	1 226	1 575	2 299
Foreign exchange	10 471	10 219	12 629	18 028	15 122	19 911
SDR	1 062	1 148	1 177	1 168	1 126	1 098
China	22 387	52 914	75 377	107 039	142 762	149 188
IMF reserve position	704	755	1 216	1 396	2 270	3 553
Foreign exchange	21 199	51 620	73 579	105 029	139 890	144 959
SDR	484	539	582	614	602	676
Great Britain	36 777	41 013	42 016	39 896	32 317	32 212
IMF reserve position	1 860	1 994	2 422	2 429	2 966	4 381
Foreign exchange	34 628	38 529	39 179	37 123	28 878	27 363
SDR	288	489	414	344	473	468

Germany	77 640	77 363	85 005	83 178	77 587	74 024	
IMF reserve position	3 951	4 030	5 210	5 468	5 946	8 023	
Foreign exchange	72 727	72 219	77 794	75 803	69 853	64 133	
SDR	962	1 114	2 001	1 907	1 788	1 868	
Hungary	6 700	6 735	11 974	9 720	8 408	9 319	10
IMF reserve position	77	82	83	81	76	79	
Foreign exchange	6 620	6 652	11 890	9 639	8 332	9 239	
SDR	3	2	1	0	0	1	

Daily Nutrient Intake Per Capita 1996

	Calories	Protein (g)	Fat (g)
United States	3 642	111	141
Canada	3 056	98	120
Japan	2 905	97	83
Netherlands	3 259	104	141
Italy	3 504	109	145
France	3 551	115	164
Great Britain	3 237	95	140
Hungary	3 402	89	142
Russian Federation	2 704	86	74
Brazil	2 938	74	82
Mexico	3 137	82	86
India	2 415	59	44
China	2 844	76	**
Egypt	3 289	88	58
Australia	3 001	104	53

Agriculture

Agricultural Production Index (Average for Years 1989-1991, 100%)

Country	1990	1995	1996	1997	1998	1999
Global Total	101	109	113	116	116	117
Great Britain	100	101	101	100	99	99
United States	101	110	115	119	120	121
Germany	102	99	91	92	93	93

Israel	108	108	111	107	108	107
Australia	102	108	117	119	119	122
Japan	101	98	96	96	93	92
Italy	96	99	101	100	101	100
Finland	105	91	92	95	85	90
Argentina	101	116	119	121	131	129
Hungary	97	71	72	79	77	72
Russian Federation	104 ^{a)}	65	67	69	58	60
Poland	102	84	87	84	91	88
Brazil	98	115	118	125	126	132
India	100	116	118	122	121	124
China	101	136	144	153	152	153

^{a)}Figure for the Soviet Union

Key Agricultural Exporters of the World (USD billions)

Country	1985	1990	1995	1996	1997	1998
United States	30.8	45.2	62.3	66.3	62.5	57.4
France	16.5	33.4	40.7	40.4	38.5	38.3
Netherlands	15.2	30.9	36.9	37.3	32.1	30.2
Germany	10.0 ^{a)}	19.7 ^{a)}	24.7	26.5	24.6	25.3
Belgium-Luxembourg	6.0	11.7	19.4	18.8	18.0	18.7
Great Britain	7.0	12.8	14.6	15.4	17.4	16.6
Italy	6.1	11.1	14.6	16.9	15.7	16.1
Canada	7.0	9.2	12.8	14.7	15.2	15.4
Brazil	9.4	8.9	13.4	14.3	16.0	15.2
Australia	8.1	11.6	12.7	16.1	16.9	14.3
China	6.2	9.9	14.4	14.3	13.4	12.2
Hungary	1.8	2.3	2.9	2.7	2.8	2.7

^{a)}Figure for the Federal Republic of Germany

Key Agricultural Importers of the World (USD Billions)

Country	1985	1995	1996	1997	1998	1999
United States	23.1	27.1	33.8	37.9	41.1	41.9
Germany	21.0 ^{a)}	37.2 ^{a)}	42.8	44.8	41.3	41.0
Japan	16.9	28.7	41.2	41.8	38.2	34.8
Great Britain	13.6	23.0	24.3	26.7	27.1	28.7
France	12.6	22.6	28.8	27.6	25.9	26.6

Italy	14.8	23.7	23.6	25.6	24.1	23.7
Netherlands	10.5	18.0	21.5	20.7	17.9	17.6
Belgium-Luxembourg	7.1	12.5	18.2	17.0	16.5	17.3
China	4.8	9.7	18.3	17.5	16.3	14.1
Spain	3.5	8.0	13.5	13.2	11.8	12.1
Canada	4.7	7.1	9.1	9.5	10.5	10.8
Russian Federation	18.1 ^{b)}	19.6 ^{b)}	12.8	10.9	13.0	10.2
Hungary	0.7	0.7	1.0	1.0	1.1	1.2

^{a)}Figure for the Federal Republic of Germany

^{b)}Figure for the Soviet Union

Production Index of the Food Industry (1995=100%)

Country	1993	1994	1995	1996	1997	1998	1999
Global Total	94	97	100	103	106	108	-
Developed Economies Total	96	99	100	101	103	103	-
Of which: United States	-	-	100	100	102	104	-
Canada	-	-	200	103	104	108	-
Japan	-	-	100	101	100	98	-
European Union	96	98	100	101	104	105	106
Of which: Germany	94	96	100	102	103	102	105
France	96	97	100	102	105	106	108
Great Britain	96	102	100	102	104	102	102
Italy	97	98	100	98	102	103	106
Europe	100	100	100	100	101	102	-
Of which: Hungary	93	98	100	100	92	93	-
Developed Economies Total	89	95	100	106	113	119	-

Consumer Price Index of Foodstuffs (% change per annum)

Country	1990	1995	1996	1997	1998	1999
United States	5.7	2.7	3.3	2.6	2.2	2.1
Canada	3.6	2.4	1.3	1.6	1.0	1.8
Japan	4.0	-1.2	-0.1	1.8	1.4	-0.5
Germany	2.9	1.4	1.6	1.4	1.0	-1.3
France	4.1	1.7	1.2	1.8	1.6	-
Italy	6.2	5.2	4.2	0.0	1.4	-
Great Britain	8.0	3.4	3.2	0.1	-	-

Hungary	35.2	28.2	17.3	17.5	14.4	2.9
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Number of Persons Employed in the Agricultural Sector (Million Persons)

Country	1990	1994	1995	1996	1997	1998
China	494.2	513.2	517.2	520.4	508.8	510.2
India	231.7	134.5	149.1	150.6	156.4	159.6
Indonesia	44.3	47.5	48.3	49.2	48.2	48.8
Bangladesh	34.5	36.6	37.2	36.7	36.3	37.3
Vietnam	24.1	25.7	26.1	26.1	26.9	27.5
Pakistan	22.0	23.5	24.0	23.6	25.7	26.3
Thailand	20.3	20.4	20.4	20.2	20.7	20.9
Nigeria	16.5	16.7	16.8	16.8	17.0	15.2
Turkey	13.3	14.1	14.3	14.3	14.1	14.5
Brazil	15.4	13.9	13.6	12.9	13.9	13.6
Russian Federation	26.5 ^{a)}	9.8	9.6	9.5	8.9	8.7
Hungary	0.7	0.7	0.6	0.6	0.6	0.6
Global Total	1 230.9	1 287.3	1 301.3	1 305.1	1 225.7	1 307.7

^{a)} Figure for the Soviet Union

Number of Persons Employed in the Agricultural Sector as a Percentage of All Employed

Country	1990	1994	1995	1996	1997	1998
Great Britain	2.2	2.1	2.1	2.1	1.9	1.9
United States	2.8	2.7	2.6	2.6	2.3	2.2
Germany	3.0 ^{a)}	3.1	3.0	2.8	2.9	2.8
Israel	4.1	3.5	3.4	3.2	3.1	2.9
Japan	7.3	5.8	5.5	5.3	4.8	4.6
Australia	5.5	4.7	4.5	4.4	4.8	4.7
Italy	8.6	7.2	6.9	6.6	6.2	5.9
Argentina	12.2	11.3	11.0	10.8	10.4	10.2
Poland	27.5	26.2	25.9	25.6	11.4	11.1
Russian Federation	18.6 ^{b)}	12.6	12.4	12.1	11.9	11.5
Brazil	23.3	19.5	18.7	17.9	18.5	17.9
Poland	27.5	26.2	25.9	25.6	23.3	22.8
India	64.0	62.1	61.6	61.2	61.0	60.5
China	72.2	71.5	71.3	71.1	68.5	68.0
Global Total	49.0	47.8	47.5	47.1	46.0	45.6

a) Figure for the Federal Republic of Germany

b) Figure for the Soviet Union

Countries of the World with the Highest Proportion of People Employed in the Agricultural Sector (%)

Country	1990	1994	1995	1996	1997	1998
Nepal	93.6	93.4	93.3	93.3	93.3	93.2
Ethiopia	85.8	85.6	85.5	85.3	83.6	83.2
Tanzania	84.4	83.5	83.2	83	81.7	81.3
Uganda	84.5	83.6	83.3	83.1	81.6	81.1
Mozambique	82.7	81.6	81.3	81	81.2	81.0
Kenya	79.5	78.3	78.0	77.7	76.7	76.3
Madagascar	78.2	76.7	76.3	75.9	75.5	75.1
China	72.2	71.5	71.3	71.1	68.5	68.0
Dem. Rep. of Congo	67.8	66.4	66.1	65.8	64.6	64.2
India	64.0	62.1	61.6	61.2	61.0	60.5
Bangladesh	65.2	62.2	61.6	60.9	58.6	57.7
Hungary	18.0	9.3	8.9	13.3	11.9	11.5
Global Avg.	49.0	47.8	47.5	47.1	46.0	45.6

Countries of the World with the Lowest Proportion of People Employed in the Agricultural Sector (%)

Country	1990	1994	1995	1996	1997	1998
Great Britain	2.2	2.1	2.1	2.1	1.9	1.9
Belgium-Luxembourg	2.7	2.5	2.5	2.5	2.1	2.0
United States	2.8	2.7	2.6	2.6	2.3	2.2
Canada	3.4	2.6	2.5	2.3	2.6	2.5
Germany	4.0 ^{a)}	3.1	3.0	2.8	2.9	2.8
Netherlands	4.6	4.3	4.2	4.2	3.7	3.6
France	5.5	4.4	4.2	3.9	3.9	3.7
Japan	7.3	5.8	5.5	5.3	4.8	4.6
Australia	5.5	4.7	4.5	4.4	4.8	4.7
Italy	8.6	7.2	6.9	6.6	6.2	5.9
Hungary	18.0	9.3	8.9	13.3	11.9	11.5
Global Avg.	49.0	47.8	47.5	47.1	46.0	45.6

a) Figure for the Federal Republic of Germany

Countries with the Highest Per Capita Agricultural Export (+) or Import (-) Surplus (USD)

Country	1990	1995	1996	1997	1998
New Zealand	1 228	1 402	1 460	1 556	1 249
Denmark	1 013	1 096	1 138	1 043	938
Ireland	872	1 559	1 186	860	814
Netherlands	867	996	1 072	909	806
Australia	580	559	726	762	624
Malaysia	106	216	167	140	408
Hungary	153	185	168	166	152
Italy	-217	-157	-151	-146	-133
Austria	-184	-234	-209	-207	-188
Germany	-276 ^{a)}	-222	-224	-204	-192
Sweden	-241	-265	-282	-253	-271
Switzerland	-423	-403	-417	-385	-413

^{a)}Figure for the Federal Republic of Germany

Countries of the World with the Highest Agricultural Export (+) or Import (-) Surplus (USD Billions)

Country	1990	1995	1996	1997	1998
United States	18.1	28.4	28.4	21.5	15.5
Netherlands	13.0	15.4	16.6	14.2	12.6
Australia	9.9	10.1	13.3	14.1	11.7
France	10.8	11.9	12.8	12.6	11.7
Brazil	6.8	7.1	8.0	9.4	9.4
Denmark	5.2	5.7	6.0	5.5	5.0
Hungary	1.6	1.9	1.7	1.7	1.5
Switzerland	-2.8	-2.8	-3.0	-2.7	-2.9
Hong Kong	-3.2	-4.8	-4.8	-5.3	-4.9
Italy	-12.5	-9.0	-8.7	-8.4	-7.6
Russian Federation	-17.2 ^{a)}	-11.5	-9.3	-11.7	-9.2
Great Britain	-10.2	-9.7	-11.3	-9.7	-12.1
Germany	-17.5 ^{b)}	-18.2	-16.7	-15.8	
Japan	-27.5	-39.4	-40.2	-36.6	-33.2

^{a)}Figure for the Soviet Union; ^{b)}Figure for the Federal Republic of Germany

Proportion of Arable Land

Arable Land as a Percentage of all Land

Arable Land as a Percentage of all Land

Country	1990	1995	1997	Country	1990	1995	1998
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Hungary	56.8	54.1	54.3	United States	20.1	19.1	19.1
India	51.5	51.6	51.7	Austria	17.9	18.0	17.6
Poland	45.6	45.1	44.6	China	13.7	14.0	14.1
France	34.8	35.3	35.3	Russian Federation	-	7.6	7.5
Great Britain	27.2	24.4	26.2	Finland	6.7	6.4	6.3
Netherlands	22.3	22.4	22.9	Global Total	11.2	11.2	11.3

Size of Irrigated Agricultural Land (Thousand Hectares)

Country	1985	1990	1994	1995	1996	1997
India	41 779	43 050	48 000	53 000	55 000	57 000
China	44 461	47 837	49 368	49 857	50 961	51 819
United States	19 831	18 771	21 400	21 400	21 400	21 400
Pakistan	15 760	16 500	17 150	17 200	17 580	17 580
Iran	5 740	5 750	7 264	7 264	7 265	7 265
Mexico	5 285	5 180	6 100	6 100	6 100	6 500
Thailand	3 822	4 300	4 800	4 642	5 004	5 010
Russian Federation	19 951 ^{a)}	21 215	5 367	5 362	5 108	4 990
Indonesia	7 059	7 600	4 581	4 687	4 760	4 815
Spain	3 217	3 370	3 657	3 527	3 603	3 603
Italy	3 000	3 120	2 710	2 698	2 698	2 698
Hungary	138	204	210	210	210	210
Global Total	225 399	237 421	249 549	260 083	264 117	267 727

^{a)}Figure for the Soviet Union

Rate and Composition of Fertilizer Use per Hectare of Cropland, Garden, Orchard, and Vineyard (per kg of agent)

Country	1993				1997			
	Nitrogen	Phosphorous	Potassium	Total	Nitrogen	Phosphorous	Potassium	Total
Iceland		2 166	667	667	3 500	1 932	583	6 015
Martinique		353	118	706	1 177	241	27	4 155
Netherlands		400	72	88	560	428	69	1 057
Ireland		435	147	187	769	294	96	1 160
Belgium-Luxembourg		213	64	126	403	217	65	1 085
Japan		134	163	110	407	119	142	1 068
China		187	58	16	261	187	63	511

Switzerland	135	66	120	321	140	40	
Germany	133	35	53	221	146	34	
New Zealand	27	94	34	155	51	117	
Bahrain	150	100	100	350	40	40	
Hungary	32	5	4	41	64	15	
Global Average	50	20	13	83	55	21	

The world's fleet of farm tractors (thousand units)

Country	1980	1985	1990	1994
USA	4,775	4,676	4,749	4,800
Soviet Union	2,562	2,798	2,609	1,148 ^{a)}
Japan	1,096	1,854	2,120	2,050
France	1,504	1,526	1,465	1,440
Italy	1,072	1,227	1,440	1,470
FRG	1,463	1,485	1,395	1,300 ^{b)}
Poland	619	855	1,185	1,311
Yugoslavia	416	882	1092	415 ^{c)}
China	740	873	828	710
Canada	675	658	780	740
Spain	529	630	740	790
Hungary	55	55	49	36
world total	21,307	24,504	26,544	25,946

^{a)}Data of Russia. ^{b)}Data of Germany. ^{b)}Serbia and Montenegro

The world's fleet of grain-harvest combines (thousand units)

Country	1980	1985	1990	1994
Japan	884	1,110	1,280	1,158
USA	669	645	666	662
Soviet Union	722	832	655	317 ^{a)}
Canada	170	161	156	155
France	142	150	153	154
FRG	165	153	140	135 ^{b)}
Poland	39	56	80	99
Australia	58	57	57	57
Great Britain	46	51	49	47
Finland	45	47	41	37
Romania	44	40	36	43

Hungary	14	12	10	8
world total	3,536	3,912	3,979	4,151

a)Data of Russia. b)Data of Germany.

The world's grain production (thousand tons)

Country	Avg. of years 1991-95	1990	1992	1993	1994	1995	1996
China	399,499	404,333	400,164	405,937	393,288	418,171	425,000
USA	306,248	312,708	352,757	258,964	357,239	276,997	285,000
India	206,301	194,701	201,923	206,828	212,316	214,893	220,000
Soviet Union	-	227,204	103,795 ^{a)}	96,225 ^{a)}	78,655 ^{a)}	62,090 ^{a)}	50,000
France	56,635	55,024	60,638	55,641	53,494	53,606	54,000
Canada	49,853	58,312	49,513	51,415	46,766	49,693	50,000
Indonesia	54,051	51,913	56,235	54,641	53,510	58,083	59,000
Brazil	43,913	32,499	44,058	43,029	45,776	50,240	51,000
Turkey	29,405	30,179	29,157	31,749	27,014	28,163	29,000
Poland	23,623	28,014	19,962	23,417	21,763	25,106	26,000
Mexico	25,550	25,545	26,897	26,704	26,279	23,996	24,000
Great Britain	21,098	22,539	22,063	19,482	19,942	21,787	22,000
Hungary	11,465	12,561	9,981	8,520	11,709	11,269	12,000
World total	1,911,643	197,1807	1,960,172	1,896,260	1,953,404	1,899,434	1,950,000

a)Data of Russia

The world's wheat exports (thousand tons)

Country	1985	1987	1988	1989	1990	1992	1993	1994
USA	24,810	30,638	40,500	36,569	27,557	33,877	35,666	38,000
Canada	16,983	22,140	20,087	11,274	17,955	23,645	18,210	22,000
France	16,943	14,220	14,848	15,089	17,165	17,355	18,259	19,000
Australia	15,335	14,789	12,183	10,449	11,507	8,097	9,487	11,000
Argentina	9,583	4,197	3,643	4,323	5,828	6,072	5,777	6,000
Great Britain	1,886	4,122	1,927	3,278	4,460	3,975	3,898	4,000
Hungary	2,026	1,281	1,790	1,426	1,120	990	94	759
World total	95,920	101,440	110,069	97,703	98,559	110,165	102,632	99,000

Price of grains on the world market (USD per ton)

Year	Wheat	Corn	Rice	Year	Wheat	Corn	Rice
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1965	59	55	136	1987	114	76	230
1970	55	58	143	1988	146	107	302
1975	149	120	363	1989	171	111	319
1980	173	126	434	1990	137	109	287
1981	175	131	483	1991	129	107	315
1982	160	108	293	1992	151	120	287
1983	158	136	277	1993	142	120	268
1984	153	136	253	1994	151	125	358
1985	138	112	217	1995	179	145	322
1986	115	88	210				

The world's wheat production (thousand tons)

Country	Avg. of years 1991-95	1992	1993	1994	1995	Share (%)
China	10,653	101,591	106,395	99,301	106,554	1
Soviet Union	- 46,167 ^{a)}	43,547 ^{a)}	32,129 ^{a)}	29,500 ^{a)}	5.4 ^{a)}	
India	58,035	55,690	57,210	59,131	63,007	1
USA	61,728	66,922	65,222	63,168	59,494	1
France	31,476	32,546	29,252	30,549	30,878	
Canada	27,253	29,871	27,231	23,122	25,432	
Turkey	19,253	19,318	21,016	17,514	18,015	
Great Britain	13,832	14,095	12,890	13,314	14,200	
Australia	13,398	14,739	16,479	8,903	17,053	
Hungary	4,394	3,453	3,021	4,874	4,614	0.8
World total	548,045	564,837	564,114	526,472	547,201	10

^{a)}Data of Russia

Average yield of wheat (kg per hectare)

Country	Avg. of years 1991-95	1992	1993	1994	1995
The Netherlands	8,300	8,020	8,770	8,070	8,300
Great Britain	7,520	8,010	7,330	7,350	7,520
Germany	6,600	5,980	6,580	6,770	6,600
France	6,540	6,400	6,480	6,670	6,540
Hungary	4,250	4,070	3,050	4,590	4,160
Austria	4,820	5,390	4,230	5,210	4,820
China	3,360	3,330	3,520	3,430	3,360

USA	2,490	2,640	2,570	2,530	2,530
Russia	-	1,900	1,770	1,450	1,450
Australia	1,590	1,780	1,970	1,110	1,110
World average	2,490	2,550	2,530	2,440	2,440

The world's corn production (thousand tons)

Country	Avg. of years 1991-95	1992	1993	1994	1995	Share (%)
China	10,653	101,591	106,395	99,301	106,554	19.1
USA	207,941	240,719	160,954	256,629	187,300	33.1
China	100,968	95,722	103,046	99,620	104,345	22.1
Brazil	30,574	30,506	30,051	32,487	36,668	6.4
Mexico	16,716	16,929	18,125	18,236	16,187	2.9
Russia	0,00	2,135	2,441	0,892	1,000	0.2
France	13,627	14,900	14,84	12,943	12,784	2.3
India	9,449	10,202	9,480	9,490	9,800	1.8
Rep. of South Africa	7,790	3,061	9,991	13,275	4,670	0.8
Argentina	10,183	10,699	10,901	10,360	11,396	2.1
Romania	9,322	6,828	7,987	9,343	9,678	1.7
Hungary	5,127	4,445	4,04r4	4,761	4,680	0.9
World total	511,295	528,034	474,358	570,611	504,980	100.0

The world's riceproduction (thousand tons)

Country	Avg. of years 1991-95	1992	1993	1994	1995	Share (%)
China	182,447	188,255	179,975	178,031	191,966	33.1
India	116,498	109,001	118,464	121,997	122,372	22.1
Indonesia	47,084	48,240	48,181	46,641	49,860	8.7
Bangladesh	26,919	27,510	27,062	25,248	24,659	4.4
Thailand	19,996	20,400	18,447	21,111	21,130	3.8
Vietnam	22,516	21,590	22,837	23,528	24,000	4.2
Myanmar	16,651	14,837	16,760	18,351	20,109	3.6
Japan	12,525	13,216	9,793	14,976	12,625	2.2
Hungary	15	15	13	15	13	0.0
World total	531,200	526,643	524,688	537,318	554,006	100.0

Average yield of rice (kg per hectare)

Country	Avg. of years1991-95	1992	1993	1994	1995
People's Rep. of Korea	3,660	3,750	3,540	3,850	3,750
Egypt	7,660	7,180	7,720	7,920	8,100
South Korea	6,240	6,310	5,730	6,290	6,300
Spain	6,340	6,450	6,670	6,460	6,500
USA	6,420	6,430	6,180	6,690	6,500
Japan	5,910	6,280	4,580	6,770	6,300
Italy	5,610	5,880	5,550	5,520	5,500
China	5,770	5,800	5,850	5,830	6,000
Indonesia	4,360	4,350	4,380	4,350	4,400
Hungary	2,800	3,070	2,650	3,090	3,170
World average	3,600	3,570	3,610	3,690	3,650

The World's soybean production (thousand tons)

Country	Avg. of years 1991-95	1992	1993	1994	1995	Share (%)
USA	58,542	59,612	50,919	68,503	58,569	40.0
Brazil	21,509	19,215	22,575	24,912	25,775	20.0
Argentina	11,322	11,315	11,045	11,715	12,088	10.0
China	12,837	10,313	15,323	16,011	14,516	12.0
India	3,744	3,106	4,626	3,676	4,600	3.0
Indonesia	1,697	1,870	1,709	1,565	1,689	1.4
Canada	1,831	1,455	1,851	2,251	2,280	1.9
Paraguay	1,701	1,315	1,794	1,796	2,300	1.9
Italy	888	1,065	585	720	705	0.6
Hungary	32	40	26	17	19	0.0
World total	119,032	13,897	115,053	136,197	127,566	100.0

The world's meat production (thousand tons)

Country	1988	1989	1990	1991	1992	1993	1994	1995	Share (%)
China	26,228	27,696	29,629	30,656	35,979	40,140	46,746	51,972	20.0
USA	27,891	28,229	28,542	29,890	30,868	31,174	32,846	33,849	13.0
Soviet Union	19,733	20,092	19,860	17,810	8,266 ^{a)}	7,518 ^{a)}	6,871 ^{a)}	6,871 ^{a)}	3.3 ^{a)}
Brazil	5,757	6,028	6,437	6,663	7,437	9,221	9,442	10,061	4.0
France	5,729	5,683	5,716	5,644	6,177	6,206	6,290	6,426	2.6

Germany	5,437 ^{b)}	5,239 ^{b)}	5,652 ^{b)}	5,154 ^{b)}	6,151	5,923	5,759	5,748	
Italy	3,854	3,891	3,907	3,936	4,026	4,029	3,995	3,974	
Great Britain	3,352	3,311	3,326	3,516	3,342	3,291	3,394	3,453	
Japan	3,632	3,634	3,502	3,501	3,399	3,395	3,304	3,251	
Spain	3,335	3,306	3,466	3,458	3,664	3,761	3,808	3,844	
Argentina	3,424	3,325	3,383	3,448	3,393	3,408	3,432	3,453	
Poland	2,923	2,903	2,964	2,837	2,950	2,710	2,468	2,582	
Hungary	1,640	1,308	1,287	1,133	0,995	0,875	0,824	0,833	0.4
World total	167,882	171,874	176,665	176,894	194,657	190,518	198,650	207,165	10

^{a)}Data of Russia

^{b)}Data of the Federal Republic of Germany

The world's beef cattle stocks (thousand head)

Country	1989	1990	1991	1992	1993	1994	1995	Share
India	195,500	197,300	198,400	192,650	192,700	193,585	194,655	
Brazil	144,154	147,102	152,000	154,229	155,134	156,000	156,000	
Soviet Union	119,600	118,400	116,200	54,677 ^{a)}	52,226 ^{a)}	48,900 ^{a)}	43,300 ^{a)}	3.3 ^{a)}
USA	98,065	98,162	99,436	97,556	99,176	100,988	102,755	
China	77,025	79,493	81,410	82,721	85,781	90,906	100,849	
Argentina	49,500	50,582	51,000	50,020	52,665	53,157	49,390	
Mexico	30,900	32,054	26,700	30,157	30,649	30,702	30,162	
Australia	22,434	23,191	23,764	23,880	24,062	25,732	26,187	
France	21,780	21,419	21,446	20,970	20,328	20,112	20,470	
Germany	14,659 ^{b)}	14,563 ^{b)}	14,542 ^{b)}	17,134	16,207	15,897	15,962	
Hungary	1,598	1,571	1,420	1,159	999	910	928	
World total	1,278,088	1,293,755	1,287,398	1,281,376	1,289,032	1,302,989	1,314,218	

^{a)}Data of Russia

^{b)}Data of the Federal Republic of Germany

The world's swine stocks (thousand heads)

Country	1988	1989	1990	1991	1992	1993	1994	1995	Share
China	334,862	349,172	360,594	370,975	379,735	393,965	402,846	424,680	
Soviet Union	77,403	78,100	78,900	76,800	35,384 ^{a)}	31,520 ^{a)}	28,600 ^{a)}	24,859 ^{a)}	2.1
USA	54,384	55,469	53,821	54,362	57,649	58,202	57,904	59,992	
Brazil	32,121	33,015	33,623	35,000	34,522	34,184	34,350	35,350	
Germany	23,670 ^{b)}	22,589 ^{b)}	22,165 ^{b)}	21,980 ^{b)}	26,063	26,514	26,075	24,698	

Poland	19,605	18,835	19,464	19,000	22,086	18,860	19,466	20,418
Spain	16,614	16,911	16,002	16,001	18,260	18,234	18,345	18,332
Mexico	15,884	16,157	15,203	15,902	16,502	16,832	18,000	18,000
The Netherlands	14,226	13,820	13,634	13,800	13,727	13,709	13,991	14,100
Hungary	8,327	7,660	8,000	5,993	5,364	5,001	4,356	5,032
World total	832,759	846,808	855,440	860,072	864,673	873,244	880,339	900,556

^{a)}Data of Russia

^{b)}Data of the Federal Republic of Germany

The world's sheep stocks thousand heads)

Country	1988	1989	1990	1991	1992	1993	1994	
Australia	152,443	161,603	170,297	163,238	148,203	138,102	132,609	12
Soviet Union	140,783	140,700	138,400	134,000	52,195 ^{a)}	48,182 ^{a)}	40,700 ^{a)}	31,767
China	102,655	110,571	113,508	112,820	110,855	109,720	11,619	11
India	51,684	53,486	54,588	55,739	44,407	44,608	44,809	4
Rep. of South Africa	29,640	30,935	32,665	32,580	30,955	28,930	29,134	2
Great Britain	27,820	29,046	29,521	29,954	29,493	29,333	29,484	2
Argentina	29,167	29,345	28,571	27,552	25,706	23,500	22,409	
Spain	23,798	22,739	24,037	24,500	24,615	23,872	23,058	2
Brazil	20,085	20,041	20,015	20,300	19,956	20,000	20,500	2
Hungary	2,216	2,069	1,865	1,808	1,752	1,252	947	
World total	1,162,227	1,186,182	1,201,197	1,184,169	1,133,372	1,104,493	1,094,702	1,08

^{a)}Data of Russia

The world's fish haul (thousand tons)

Country	1987	1988	1989	1990	1991	1992	1993	
China	9,346	10,359	11,220	12,095	13,135	15,007	17,568	2
Peru	4,587	6,642	6,854	6,875	6,949	6,871	8,452	1
Chile	4,815	5,210	6,454	5,195	6,003	6,502	6,036	
Japan	118,49	11,966	11,173	10,354	9,301	8,502	8,128	
USA	5,989	5,953	5,775	5,868	5,486	5,599	5,948	
India	2,908	3,127	3,641	3,794	4,044	4,232	4,338	
Russia	-	8,338	8,385	7,808	7,047	5,611	4,461	
Indonesia	2,584	2,795	2,948	3,044	3,252	3,440	3,676	
Thailand	2,779	2,647	2,700	2,786	2,968	3,240	3,330	
South Korea	2,876	2,732	2,841	2,843	2,512	2,696	2,649	

Philippines	1,989	2,010	2,099	2,209	2,316	2,272	2,264	2,264
Denmark	1,708	1,974	1,929	1,518	1,793	1,996	1,656	1,656
Spain	1,521	1,590	1,560	1,380	1,330	1,320	1,290	1,290
Mexico	1,419	1,372	1,470	1,401	1,453	1,248	1,201	1,201
Canada	1,568	1,612	1,575	1,626	1,544	1,276	1,172	1,172
France	849	888	850	863	816	817	831	831
Brazil	947	829	850	803..	800	790	780	780
Poland	671	655	565	473	458	506	423	423
Hungary	37	38	36	34	29	29	23	23
World total	94,624	99,216	100,518	97,854	97,764	99,349	102,18	102,18

The world's egg production (millions)

Country	1988	1989	1990	1991	1992	1993	1994	1995
China	120,096	107,100	118,062	123,210	151,141	174,312	217,656	222,656
Soviet Union	83,808	84,564	81,720	79,200	42,930 ^{a)}	40,320 ^{a)}	39,312 ^{a)}	39,312 ^{a)}
USA	74,394	71,604	72,468	73,656	75,415	76,824	79,020	79,020
Japan	42,768	43,578	43,542	45,036	46,286	46,764	46,494	46,494
France	16,830	16,038	15,768	16,956	16,605	16,758	18,126	18,126
Germany ^{b)}	13,068	12,834	12,564	16,416	15,876	14,868	15,174	15,174
Italy	12,546	12,420	12,636	12,726	12,730	12,816	12,096	12,096
Spain	13,644	11,538	11,178	11,826	11,254	12,042	13,086	13,086
Great Britain	12,816	10,692	11,232	11,627	11,280	11,250	11,376	11,376
The Netherlands	11,700	11,520	11,664	11,628	11,295	10,818	10,980	10,980
Poland	8,010	8,046	7,596	6,552	6,120	5,580	5,418	5,418
Hungary	4,585	4,576	4,679	4,443	4,164	4,211	3,877	3,877
World total	625,266	609,606	625,896	637,020	667,265	697,014	750,762	757,762

^{a)}Data of Russia

^{b)}Data of the Federal Republic of Germany up to 1990

The world's butter production (thousand tons)

Country	1988	1989	1990	1991	1992	1993	1994	1995
Soviet Union	1,805	1,808	1,802	1,570	746 ^{a)}	732 ^{a)}	434 ^{a)}	400 ^{a)}
India	800	840	970	1,040	1,060	1,110	1,200	1,200
Germany	392	398	393					
				645	474	484	461	461

GDR	306	313	272					
USA	548	598	608	623	648	625	621	6
France	516	539	527	480	451	434	437	4
Pakistan	248	269	284	300	317	334	353	3
New Zealand	282	226	242	291	262	252	306	3
Poland	267	325	300	220	180	176	150	1
The Netherlands	169	180	178	169	149	147	129	1
Hungary	35	38	39	29	22	18	15	
World total	7,422	7,618	7,753	7,398	6,934	6,947	6,629	6,7

^{a)}Data of Russia

The world's cow's milk production (thousand tons)

Country	1988	1989	1990	1991	1992	1993	1994	1995
Soviet Union	106,300	108,124	108,700	100,000	47,166^{a)}	46,297^{a)}	42,560^{a)}	42,560^{a)}
USA	65,840	65,426	67,276	67,370	68,440	68,303	69,701	70,5
Germany^{b)}	23,963	24,243	23,672	29,054	27,991	28,098	27,866	28,0
India	22,000	24,000	27,500	27,000	29,400	30,600	31,000	32,0
France	26,606	25,984	26,561	25,880	25,738	25,324	25,322	25,8
Brazil ~	13,928	14,518	14,919	15,300	15,784	15,591	16,700	17,4
Great Britain	15,129	14,912	15,203	15,022	14,701	14,736	14,934	14,6
Poland	15,632	16,404	15,832	14,906	13,153	12,639	12,222	11,7
The Netherlands	11,315	11,321	11,226	11,050	10,909	10,953	10,873	10,9
Italy	10,726	10,576	10,376	10,000	10,898	10,653	10,674	10,6
Hungary	2,871	2,862	2,846	2,491	2,301	2,071	1,935	1,9
World total	466,209	470,882	477,672	463,671	462,786	461,635	462,409	468,0

^{a)}Data of Russia

^{b)}Data of the Federal Republic of Germany up to 1990

The world's beer production (million hectoliters)

Country	1987	1988	1989	1990	1991	1992	1993
USA	229.3	232.2	233.6	236.7	237.3	237.0	23
China	50.0	55.0	60.0	69.2	81.3	102.1	11
Germany	116.8	117.1	117.8	120.2	118.0	114.1	11
Japan	54.9	57.9	60.5	65.6	69.2	70.1	6
Great Britain	59.9	60.2	60.0	70.8	57.4	55.9	5
Brazil	47.5	47.8	55.0	43.8	65.0	43.5	4

Mexico	29.2	34.5	39.1	38.7	41.3	42.3	4
Russia					27.5	27.9	2
Spain	25.8	26.6	27.3	27.9	26.4	24.3	2
France	19.9	20.1	20.9	21.0	21.0	21.3	2
The Netherlands	17.5	17.5	18.8	20.1	19.9	20.4	2
Australia	18.8	19.5	18.7	19.4	19.2	18.6	1
Czechoslovakia ^{a)}	22.2	22.7	22.8	23.5	20.0	19.0	1
Hungary	9.1	9.4	9.1	9.9	10.8	9.2	
World total	1,041.0	1,075.2	1,121.9	1,099.7	1,167.9	1152.3	1,16

^{a)}Data of the Czech Republic as of 1991

The world's wine production (thousand tons)

Country	1985	1988	1989	1990	1991	1992	1993	1994	1995
Italy	6,288	6,101	6,033	5,487	5,979	6,380	6,267	5,928	5,8
France	7,052	5,782	6,100	6,553	4,269	6,522	5,331	5,485	5,6
Spain	3,346	2,157	3,113	4,012	3,224	3,472	2,650	1,895	2,0
Soviet Union	2,650	1,780	1,930	1,570	1,800	700 ^{a)}	335 ^{a)}	400 ^{a)}	700 ^{a)}
Argentina	1,680	2,063	2,032	1,404	1,450	1,150	1,447	1,757	1,7
USA	1,690	1,807	1,551	1,585	1,550	1,545	1,585	1,420	1,4
Germany ^{b)}	600	998	1,449	949	1,070	1,340	992	1,018	1,1
Rep. of South Africa	824	916	944	952	963	930	916	866	9
Portugal	832	370	750	1097	1,003	724	477	458	8
Romania	900	642	391	598	481	750	584	460	4
Hungary	289	471	371	547	461	388	364	369	3
World total	30,685	26,970	28,381	28,352	25,820	28,825	25,537	24,965	25,6

^{a)}Data of Russia

^{b)}Data of the Federal Republic of Germany up to 1990

The world's sunflower seed production (thousand tons)

Country	Avg. of years 1991-95	1992	1993	1994	1995
Argentina	3,970	3,408	2,956	3,903	5,750
Russia	0,00 -	3,110	2,765	2,553	4,000
France	2,105	2,116	1,643	2,053	1,993
USA	1,648	1,163	1,167	2,194	1,817
China	1,375	1,473	1,282	1,350	1,400
Spain	1,032	1,343	1,309	0,979	0,575

Hungary	0,743	0,765	0,682	0,667	0,789
Turkey	0,831	0,950	0,815	0,740	0,900
Romania	0,765	0,774	0,696	0,767	0,980
Rep. of South Africa	0,399	0,176	0,350	0,366	0,768
Yugoslavia	0,00 - 0,359 ^{a)}	0,389 ^{a)}	0,299 ^{a)}	0,296 ^{a)}	
World total	22,291	21,716	20,027	21,952	26,375

^{a)}Data of Serbia and Montenegro

The world's sugar beet production (thousand tons)

Country	Avg. of years 1991-95	1992	1993	1994	1995
Russia	0,00 -	25,548	25,468	13,946	18,300
France	30,245	31,685	31,805	29,036	30,359
Germany	26,159	27,150	28,606	24,211	26,077
USA	26,203	26,438	23,812	28,897	25,359
China	13,694	15,069	12,048	12,526	12,723
Turkey	14,108	15,126	15,621	12,944	11,680
Italy	12,639	14,630	11,065	12,629	12,933
Poland	12,369	11,052	15,621	11,676	13,309
Great Britain	8,423	9,300	8,988	8,030	8,125
Hungary	3,100	2,928	2,182	3,310	4,199
World total	274,929	281,277	282,078	256,660	266,185

The world's sugarcane production (thousand tons)

Country	Avg. of years 1991-95	1992	1993	1994	1995
Brazil	273,873	271,475	244,344	292,070	301,613
India	240,080	249,256	228,030	227,060	259,490
China	70,403	78,869	68,997	66,430	73,504
Cuba	49,600	58,000	44,000	39,000	36,000
Thailand	42,709	39,827	39,827	37,823	50,597
Mexico	40,442	39,955	42,880	40,539	41,140
Pakistan	40,903	38,865	38,059	44,427	45,847
Indonesia	30,735	32,000	33,000	30,272	30,272
Colombia	29,044	28,930	30,500	29,000	30,000
USA	27,736	27,545	28,214	28,058	28,072

Australia	28,810	27,958	30,710	31,312	33,434
World total	1,088,829	1,102,778	1,036,735	1,082,365	1,149,174

The world's tobacco production (thousand tons)

Country	1985	1988	1989	1990	1991	1992	1993	1994	1995
China	2,080	2,754	2,849	2,646	3,064	3,515	3,568	2,257	2,369
USA	702	622	620	738	753	781	732	718	603
India	473	367	493	552	558	584	597	569	525
Brazil	411	430	446	445	418	576	655	519	489
Turkey	170	219	270	247	288	332	339	187	210
Soviet Union	323	245	233	260	240	2 ^{a)}	4 ^{a)}	2 ^{a)}	2 ^{a)}
Italy	157	184	197	194	192	151	136	126	118
Zimbabwe	-	124	135	140	178	211	205	182	198
Greece	133	135	133	130	166	187	168	154	133
Indonesia	165	147	81	150	145	84	85	85	85
Hungary	21	16	15	14	19	13	11	12	11
World total	6,590	6,870	7,061	7,124	7,574	8,325	8,316	6,516	6,450

^{a)} Data of Russia

The world's apple production (thousand tons)

Country	1985	1988	1989	1990	1991	1992	1993	1994	1995
Soviet Union	7,000	5,700	6,200	5,800	6,000	1,830 ^{a)}	1,623 ^{a)}	1,142 ^{a)}	1,142 ^{a)}
USA	3,542	4,118	4,498	4,381	4,561	4,796	4,847	5,217	5,031
China	3,614	4,357	4,517	4,332	4,414	6,568	9,078	11,137	11,137
France	2,315	2,473	2,328	2,346	2,400	2,344	2,489	2,566	2,488
Italy	2,092	2,332	1,924	2,050	2,220	2,394	2,144	2,233	2,127
Turkey	1,900	1,950	1,850	1,900	1,950	2,100	2,080	2,095	2,050
Germany	1,410 ^{b)}	2,467 ^{b)}	1,727 ^{b)}	1,801 ^{b)}	1,750 ^{b)}	1,378	882	896	573
Iran	1,000	1,351	1,246	1,501	1,350	1,463	1,624	2,008	2,000
Poland	1,343	1,393	1,312	812	1,300	1,570	1,842	1,441	1,288
India	1,000	861	1,084	1,094	1,100	1,110	1,168	1,002	1,002
Hungary	954	1,131	959	945	950	666	819	657	353
Spain	1,056	868	810	657	568	1095	891	774	843
World total	37,922	42,040	41,985	40,525	41,239	44,600	48,359	47,223	47,355

^{a)} Data of Russia.

b) Data of the Federal Republic of Germany.

The world's grape production (thousand tons)

Country	Avg. of years 1991-95	1992	1993	1994	1995
Italy	9,620	10,625	9,750	0,929	8,433
France	6,808	7,995	6,657	6,944	7,085
Spain	4,433	5,757	4,568	3,167	3,085
Russia		0,529	0,467	0,311	0,311
USA	5,313	5,490	5,467	5,326	5,240
Turkey	3,540	3,450	3,700	3,450	3,550
Argentina	2,395	2,953	1,942	2,498	1,930
Rep. of South Africa	1,571	1,673	1,490	1,510	1,660
Greece	1,350	1,350	1,141	1,115	1,150
Germany	1,493	1,806	1,312	1,035	0,850
Romania	1,158	0,905	1,339	1,033	1,300
Hungary	0,637	0,662	0,607	0,614	0,544
World total	57,376	62,424	56,423	57,710	53,592

* Data of Russia

The world's fruit production (thousand tons)

Country	Avg. of years 1991-95	1992	1993	1993	1995
Brazil	32,171	32,738	31,807	30,114	32,301
India	33,030	31,194	38,274	38,434	38,912
USA	27,826	26,869	29,022	29,087	29,731
China	31,721	26,588	31,758	35,894	38,538
Italy	18,536	20,701	18,980	18,286	17,494
Russia	0,00 -	3,351	3,193	2,415	2,416
Spain	12,683	15,159	12,976	11,756	10,806
France	10,394	12,033	10,389	11,072	11,097
Mexico	10,278	9,987	10,407	10,975	11,638
Turkey	9,589	9,431	9,650	9,772	9,767
Hungary	1,735	1,813	1,878	1,663	1,228
World total	380,231	380,668	388,752	390,254	396,873

The world's vegetable production (thousand tons)

Country	Avg. of years 1991-95	1992	1993	1994	1995	
China	125,348	123,094	125,556	128,630	128,650	
India	63,144	64,209	63,460	64,608	64,813	
USA	33,768	33,449	31,371	34,859	33,596	
Russia	0,00 -	10,661	10,279	9,957	9,957	
Turkey	19,550	19,189	18,533	19,645	21,632	
Japan	13,898	14,350	13,664	13,420	13,540	
Italy	14,008	14,537	14,090	14,333	13,178	
Spain	10,401	10,477	10,158	10,640	10,208	
South Korea	10,190	10,081	11,264	10,122	10,313	
Egypt	9,560	9,708	9,648	10,016	10,191	
Hungary	1,559	1,401	1,336	1,419	1,644	
World total	475,809	470,174	473,607	484,618	487,287	

Raw Materials

The world's coal production (million tons)

Country	1990	1991	1992	1993	1994	1995	Share (%) 1995
China	1050.6	1058.5	1114.6	1150.7	1242.0	1298.0	
USA	944.0	901.4	905.0	857.7	937.6	934.2	
Soviet Union	628.1	557.6	337.0 ^{a)}	306.0 ^{a)}	272.0 ^{a)}	262.0 ^{a)}	5.8 ^{a)}
India	223.3	-	237.0	264.9	273.2	285.5	
Poland	215.3	209.6	198.4	198.6	200.7	200.7	
Australia	205.7	219.6	229.4	228.5	231.4	241.8	
Germany	183.9	178.1	307.7	282.0	261.5	246.4	
Rep. of South Africa	174.8	178.4	174.4	182.3	195.8	206.2	
Czechoslovakia	108.3	98.1	-	92.0 ^{b)}	81.6 ^{b)}	80.0 ^{b)}	1.8 ^{b)}
Hungary	17.6	17.0	15.9	14.1	13.4	14.5	
World total	4783	4492	4489	4399	4517	4549	

^{a)}Data of Russia.

^{b)}Data of the Czech Republic.

The world's natural gas production (calculated at caloric value, petajoules)

Country	1990	1991	1992	1993	1994	Share(%) 1994

Soviet Union	27,733	27,440	20,623 ^{a)}	20,278 ^{a)}	1,9886 ^{a)}	25.0 ^{a)}
USA	17,542	17,847	19,379	19,657	20,365	25.6
Canada	4,088	4,370	4,767	5,234	5,767	7.2
The Netherlands	2,286	2,585	2,881	2,930	2,779	3.5
Great Britain	1,904	1,956	2,156	2,530	2,705	3.4
Algeria	1,975	2,104	2,038	2,102	1,996	2.5
Indonesia	1,579	1,899	1,989	2,062	2,323	2.9
Norway	1,121	1,105	1,130	1,168	1,263	1.6
Saudi Arabia	1,101	1,293	1,343	1,401	1,471	1.8
Mexico	1,013	948	1,148	1,124	1,167	1.5
Romania	959	828	0,737	0,702	0,632	0.8
Hungary	183	184	0,151	0,163	00,157	0.2
World total	70,546	74,288	75,678	77,507	79,579	100.0

^{a)}Data of Russia.

The world's bauxite production (thousand tons)

Country	1990	1991	1992	1993	1994	1995	Share 1995
Australia	41,391.0	40,503.0	39,746.0	4,1320.0	41,640.0	42,655.0	
Guinea	17,524.0	17,054.0	15,997.0	1,7040.0	11,124.0	12,393.5	
Jamaica	10,936.7	11,608.6	11,367.0	11,184.0	11,564.0	10,857.0	
Brazil	9,875.6	10,413.9	9,365.6	9,669.0	8,673.3	8,761.3	
India	5,277.0	4,835.0	4,898.3	5,276.8	4,809.1	5,162.6	
Soviet Union	5,350.0	4,800.0	4,578.0 ^{a)}	4,260.0 ^{a)}	3,633.0 ^{a)}	3,500.0 ^{a)}	3.2 ^{a)}
Suriname	3,266.8	3,136.3	3,251.9	3,156.1	3,803.1	3,578.7	
China	4,200.0	3,000.0	6,660.9	6,468.2	6,621.3	6,700.0	
Yugoslavia	2,952.0	2,542.0	792.0	102.0 ^{b)}	- 60.0 ^{b)}		0.1 ^{b)}
Guyana	1,424.0	2,204.0	2,373.8	2,083.2	2,093.0	2,028.1	
Greece	2,495.9	2,133.5	2,084.6	2,205.5	2,196.4	1,916.0	
Hungary	2,559.1	2,036.7	1,721.1	1,561.3	835.7	1,014.6	
World total.	113,570.7	110,650.5	109,800.0	112,900.0	107,900.0	109,500.0	

^{a)}Data of Russia; ^{b)}Data of Serbia and Montenegro.

The world's manganese ore production (thousand tons)

Country	1990	1991	1992	1993	1994	1995	Share 1995
Rep. of South Africa	4,318.3	3,146.1	2,463.6	2,506.7	2,875.3	3,198.6	
Gabon	2,600.0	1,620.4	1,556.0	1,290.0	1,435.0	1,950.0	

Brazil	2,500.0	2,000.0	2,000.0	2,000.0	2,500.0	2,500.01	
Rep. of South Africa	4,318.3	3,146.1	2,463.6	2,506.7	2,875.3	3,198.6	
Gabon	2,600.0	1,620.4	1,556.0	1,290.0	1,435.0	1,950.0	
Brazil	2,500.0	2,000.0	2,000.0	2,000.0	2,500.0	2,500.01	
Australia	1,931.0	1,470.0	1,285.0	2,092.0	1,986.0	2,176.0	
China	-	5,180.0	5,592.0	7,301.0	5,787.0	-	
India	1,360.0	1,401.0	1,810.0	1,660.0	1,600.0	-	
Ghana	246.9	485.1	279.0	309.1	238.4	186.9	
Mexico	-	206.5	362.5	305.3	240.2	371.5	
Hungary	60.0	30.0	18.0	59.0	43.1	40.0	0.2
World total	26,400.0	23,100.0	22,800.0	23,300.0	20,900.0	22,000.0	

Price of crude oil on the world market (USD/barrel)

Year	OPEC	Non-OPEC	World Avg.
1978	13.03	13.44	13.08
1981	34.82	38.54	35.49
1982	34.13	34.35	34.18
1984	28.62	28.60	28.61
1985	28.04	27.24	27.71
1986	18.19	16.74	17.63
1987	17.15	17.43	17.28
1988	16.77	16.21	16.57
1989	13.36	14.06	13.58
1990,1 Jan.	18.72	19.29	18.91
1991,1 Jan.	24.18	25.78	24.72
1992,1 Jan.	15.88	16.87	16.22
1992,17 July	18.90	19.56	19.14
1994, 24 Jan.	13.77	14.57	14.14
1995, 24 Jan.	16.53	16.89	16.70
1996, 24 Jan.	16.87	17.45	17.12
1997, 24 Jan.	21.98	22.74	22.31

OPEC's share (%)

	1979	1985	1988	1989	1990	1991	1992	1993	1994	1995
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Of the world's crude oil production	48	30	34	36	37	37	39	40	39	
Of the world's net crude oil exports	88	63	67	-	-	-	-	-	-	

Length of the crude oil pipeline networks in some countries (km)

Country	1987	1988	1989	1990	1991	1992	1993
USA	324,198	344,533	345,364	343,651	340,222	320,296	319,000
Soviet Union	86,400	86,144	85,654	86,011	96,513 ^{a)}	63,733 ^{a)}	64,269 ^{a)}
Canada	33,777	33,728	34,863	-	-	-	-
Great Britain	3,650	3,650	-	2,422	3,133	2,762	2,762
Spain	2,080	2,255	2,452	2,678	3,097	3,536	3,536
Hungary	2,224	2,224	2,361	2,408	2,408	2,483	2,483
FRG	1,715	1,715	2,222	2,222	2,943 ^{b)}	3,058 ^{b)}	3,318 ^{b)}
Poland	1,986	1,986	2,023	2,039	2,040	2,192	2,192
GDR	1,307	1,323	1,323	-	-	-	-
Yugoslavia	1,144	1,444	996	996	-	-	170 ^{c)}
Austria	777	777	777	777	777	777	777
Turkey	641	641	641	641	-	-	1,455 ^{e)}
Czechoslovakia	543	543	543	-	-	-	581 ^{d)}
Norway	355	521	521	521	521	-	1,455 ^{e)}
The Netherlands	391	391	391	391	391	391	391
Belgium	301	301	301	301	294	294	294
Switzerland	239	239	239	239	239	239	239
Ukraine				5,491	5,491	6,388	7,000

a)Russia; b)Germany; c)Serbia and Montenegro; d)The Czech Republic; e)Including the pipeline connecting the Norwegian Ekofisk with Great Britain.

Cement production (million tons)

Country	1987	1988	1989	1990	1991	1992	1993	1994	1995
China	180.0	203.0	203.8	209.7	244.7	308.2	359.8	398.4	440.0
Soviet Union	137.4	139.5	140.4	137.3	122.4	61.2	49.9	37.2	30.0
Japan	71.3	72.4	80.3	84.4	89.6	88.2	88.0	91.5	95.0
USA	67.4	71.5	71.4	70.9	65.1	70.8	73.8	77.1	79.0
India	37.0	40.7	44.6	45.7	51.7	53.7	56.2	61.8	65.0
Italy	35.7	38.2	39.7	40.5	40.3	41.0	33.8	32.7	31.0

South Korea	25.9	29.5	30.1	33.9	39.2	44.4	47.3	52.1	57.0
Germany	25.2	26.4	28.5	30.4	31.8	33.1	36.7	40.3	43.9
Spain	23.0	24.4	27.4	28.1	27.6	24.6	22.8	25.1	27.4
Brazil	25.5	25.3	26.5	25.8	27.5	23.9	24.8	25.2	25.7
France	23.5	25.3	26.0	26.5	25.0	21.6	19.3	20.2	20.7
Hungary	4.2	3.9	3.9	3.9	2.5	2.2	2.5	2.8	3.1
World total	1,048	1,099	1,110	1,143	1,160	1,209	1,264	1,354	1,440

Industry

Distribution of the world's basic energy production by energy carriers (%)

	1985	1988	1989	1990	1991	1992	1993	1994
Liquid	42.5	42.0	41.6	41.9	39.9	40.0	39.9	39.5
Solid	31.4	31.1	31.2	30.5	27.7	27.9	27.2	26.8
Gaseous	21.6	22.3	22.6	22.9	22.9	22.5	23.0	23.3
Primary electric power	4.5	4.6	4.6	4.7	9.5	9.6	9.9	10.2
of which: hydroelectric	2.6	2.5	2.4	2.4	1.8	1.8	1.9	1.9
nuclear	1.9	2.1	2.2	2.3	7.7	7.8	8.0	8.3
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Electricity production (billion kWh)

Country	1985	1987	1988	1989	1990	1991	1992	1993	1994	Share (%) 1995
USA	2,525	2,571	2,701	2,779	3,012	3,057	3,075	3,146	2,688	22.5
Soviet Union	1,544	1,665	1,705	1,722	1,673	1,634				14.0
Japan	598	627	658	690	857	888	895	907	964	8.0
China	411	496	543	595	618	671	739	813	904	7.4
Canada	459	482	483	513	481	490	502	511	534	4.5
Germany ^{a)}	407	410	423	441	449	539	537	526	453	3.8
France	326	353	366	407	405	428	462	471	509	4.2
Great Britain	294	302	308	313	317	323	327	322	332	2.8
India	189	198	214	241	264	287	301	357	351	3.0
Brazil	193	202	214	230	222	234	242	255	261	2.2
Italy	182	201	201	211	217	222	226	223	232	1.9
Australia	121	134	140	148	155	157	160	164	167	1.4
Spain	126	129	140	142	152	156	159	157	162	1.3

Rep. of South Africa	122	156	157	162	165	168	168	175	182	
Sweden	137	142	149	139	146	147	146	143	137	
Poland	138	146	144	145	136	135	133	134	135	
Hungary	27	30	329	30	28	30	32	33	33	34
World total	9,712	10,467	10,526	10,879	11,693	12,087	12,115	12,325	12,681	
Russia	1009	937	859	845						

a) Data of Germany as of 1991.

Power consumption (coal-equivalent, million tons)

Country	1991	1992	1993	1994	Country	1991	1992	1993	1994
USA	2,697	2,740	2,768	2,969	Poland	135	133	139	
Russia	1,027	996	884		Australia	124	128	132	
China	933	973	1,011	1,093	Slovakia	25	23	22	
Japan	585	589	592	621	Brazil	122	125	130	
Germany	473	464	462	445	The Netherlands	110	108	113	
Great Britain	318	313	315	311	Spain	120	123	115	
Canada	293	300	313	327	The Czech Rep.	55	53	51	
India	290	304	318	344	Romania	70	63	61	
France	311	322	312	298	Venezuela	72	67	72	
Italy	231	232	228	226	Hungary	38	34	34	33
Mexico	164	176	173	187	World total	10,939	10,930	11,003	11,003

Power consumption per capita (coal-equivalent, kg)

Country	1991	1992	1993	1994
Canada	10,420	10,532	10,854	11,209
USA	10,682	10,736	10,732	11,391
The Netherlands	7,299	7,115	7,381	7,217
Germany	5,920	5,772	5,718	5,475
Russia		6,936	6,741	5,996
Finland	6,714	6,563	6,748	7,401
Australia	7,259	7,350	7,510	7,614
Great Britain	5,503	5,402	5,411	5,333
Denmark	5,135	4,680	4,860	5,151
Japan	4,719	4,744	4,757	4,978
Austria	4,180	4,154	4,192	4,162

France	5,459	5,617	5,826	5,151
Italy	4,046	4,067	3,986	3,949
Hungary	3,643	3,340	3,340	3,273
Brazil	807	813	833	850
World average	2,028	1,996	1,978	1,993

Proportion of power demand covered by domestic production (%)

Country	1991	1992	1993	1994
Russia		100	100	100
Canada	100	100	100	100
Great Britain	97	98	100	100
The Netherlands	95	97	94	92
USA	85	87	80	82
Mexico	100	100	100	100
Brazil	67	66	66	65
Denmark	58	69	71	74
Hungary	54	56	53	54
Germany	50	49	46	45
France	48	51	52	54
Austria	26	27	27	26
Finland	32	33	30	31
South Korea	24	11	18	16
Italy	17	17	18	19
Japan	18	18	20	20

Industrial production index (previous year =100%)

Country/Region	1990	1991	1992	1993	1994	1995
World total*	99.6	99.2	100.4	100.7	104.2	104.0
Developed democracies in total	98.6	98.8	99.3	99.7	104.4	102.7
Of which: USA	100.0	98.2	104.1	102.9	105.7	103.6
Canada	100.0	98.0	101.0	102.0	105.0	101.9
Japan	104.2	102.4	94.1	94.8	101.1	103.3
Common market total	97.1	99.5	98.2	96.0	102.8	99.9
Of which: FRG ^{a)}	105.4	100.0	98.0	91.8	104.4	101.1
France	101.9	100.0	100.0	98.0	103.1	103.0

Great Britain	100.0	96.0	100.0	102.1	105.1	102.9
Italy	100.0	99.0	100.0	97.0	106.3	104.9
Eastern Europe	96.1	98.0	98.0	97.3	103.5	100.8
Russia	99.9	92.0	81.9	85.9	79.1	96.9
Hungary	90.7	81.6	90.3	104.0	109.6	104.6
Developing countries in total	103.3	100.7	104.5	103.9	104.0	108.2
Of which: South Korea	108.7	110.0	105.5	104.3	110.7	111.9
Malaysia	112.4	111.0	109.0	109.1	112.1	113.5
India	111.1	102.0	103.9	100.9	107.5	113.9
Senegal	105.4	87.0	108.0	93.6	101.1	-
Mexico	105.3	103.6	101.9	100.0	103.8	95.4
Bangladesh	102.3	110.2	113.6	109.6	112.4	-

*Albania, China, North Korea. Vietnam; not including the former Czechoslovakia, Soviet Union and Yugoslavia.

^{a)}Data of Germany as of 1991.

Numbef of persons employed in the industrial sector (thousand persons)

Country	1990	1991	1992	1993	1994
USA	23,498	22,895	22,411	21,982	22,371
Canada	2,317	2,175	2,094	2,092	2,250
Japan	15,410	15,890	16,080	15,710	15,410
Germany	-	12,436	11,570	10,930	10,282
France	4,914	4,914	4,755	4,544	4,432
Great Britain ^{a)}	7,806	7,242	6,844	6,565	-
Italy	4,986	4,917	-	4,836	-
Russia	22,013	21,681	20,605	20,228	18,127
Hungary	1,496	1,393	1,214	1,085	1,036
Myanmar	1,232	-	1,228	1,354	-
South Korea	4,999	5,126	3,054	2,880	2,739
Venezuela	1,125	1,214	1,255	1,217 ^{b)}	1,331

^{a)}Includes armed forces staff.; ^{b)}Second Quarter.

Index of the number of persons employed in the industrial sector (1980 and 1990 = 100%)

Country	1985*	1986*	1987*	1988	1989*	1990*	1991**	1992**	1993**	1994**	1995**
USA	97	98	98	97	98	96	97	95	94	95	96
Canada	94	96	97	98	100	95	94	90	90	97	98
Japan	106	106	104	106	108	109	103	104	102	100	99
FRG	90	91	93	93	99	-	100 ^{a)}	93 ^{a)}	88 ^{a)}	83 ^{a)}	77 ^{a)}

France	89	86	85	85	84	85	100	97	92	90	
Great Britain	81	79	76	80	76	-	93	88	84	-	
Italy	88	87	86	88	88	-	99	99	-	97	
Soviet Union ^{b)}	103	104	103	101	98	-	98	94	92	82	
GDR	102	102	101	102	-						
Hungary	93	92	90	88	86	89	93	100***	105***	110***	80**
Myanmar Union	122	127	133	135	136	113	-	100	105	110	
South Korea	116	125	143	155	159	159	103	100***	94***	90***	
India	106	107	107	108	108	-	-	-	-	-	
Venezuela	117	126	139	145	149	-	108	112	108	101	

* 1980=100; ** 1990=100; ***1992=100; ^{a)}Germany 1990=100; ^{b)}Data of Russia as of 1991; ***1992=100

Aluminum usage (thousand tons)

Country	1990	1991	1992	1993	1994	Share 1994
USA	4,330.4	4,112.2	4,534.1	4,877.1	5,400.0	
Japan	2,414.3	2,403.3	2,271.6	2,138.3	2,345.8	
Germany	1,295.4	1,360.9	1,457.1	1,300.0	1,499.6	
Soviet Union ^{a)}	1,700.0	2,000.0	1,378.8	657.0	475.0	
China	650.0	938.0	1,246.3	1,318.1	1,484.1	
France	720.9	725.9	722.8	665.0	735.0	
Italy	652.0	670.0	660.0	554.0	660.0	
Great Britain	453.7	412.4	483.3	475.0	500.0	
Canada	387.2	408.2	420.4	486.6	532.8	
Brazil	341.2	354.2	377.1	378.9	413.7	
Hungary	155.2	96.4	112.3	140.1	141.1	0.7
World total	17,840.6	18,719.6	18,770.0	18,115.1	19,637.3	

a) Data of Russia as of 1991.

Turnover of aluminum in foreign trade (thousand tons)

Country	1990	1991	1992	1993	1994	1995	Share (%) 1995
Import							
Japan	2,652.2	2,830.4	2,532.3	2,604.4	2,639.1	2,802.7	
USA	976.2	1,038.8	1,172.2	1,860.7	2,495.9	1,979.8	
Germany	898.6	1,007.0	1,162.2	852.6	1,197.3	1,315.5	
France	541.1	551.5	518.4	372.2	444.8	469.3	

Italy	538.6	512.2	529.2	435.8	577.6	574.5	
South Korea	361.9	391.8	425.5	579.3	689.3	783.4	
Belgium	367.5	370.6	346.9	310.9	370.4	365.9	
Taiwan	245.4	315.6	336.3	395.6	459.5	429.2	
Hungary	210.0	52.0	105.0	124.2	129.7	132.7	3.2
Great Britain	241.0	196.9	367.9	589.1	477.0	388.1	
World total	8,251.6	8,449.9	9,119.5	9,928.7	12,044.9	12,292.6	
Export							
Canada	1,253.2	1,469.6	1,603.3	1,819.8	1,877.5	1,718.9	
Austria	910.0	951.3	934.0	1,044.7	946.8	955.4	
USA	798.3	902.5	657.6	437.8	387.3	448.2	
Norway	777.3	810.2	802.7	788.2	866.7	810.6	
Brazil	527.8	787.6	817.5	799.6	777.8	703.0	
Venezuela	452.3	445.5	487.8	415.4	462.0	382.1	
The Netherlands	362.4	332.4	336.0	401.2	443.9	576.8	
Germany	313.7	290.4	324.5	243.8	271.9	262.8	
New Zealand	235.8	240.8	231.4	242.9	232.3	246.2	
Hungary	135.0	30.0	43.0	12.0	8.5	18.6	0.4
World total	7,748.2	8,349.7	9,564.4	10,483.5	11,536.4	11,763.8	

Machinery production index (1990 = 100%)

Country	1991	1992	1993	1994	1995
USA	97	103	111	122	131
Canada	92	91	97	111	122
Japan	101	94	88	90	95
Germany	99	99	88	93	96
France	92	94	87	90	93
Great Britain	41	91	91	96	98
Italy	89	92	88	94	105
Hungary ^{a)}	100	89	95	92	92

^{a)}1991=100%

Index of the total output of the engineering industry (1990 = 100%)

Country	1990	1991	1992	1993	1994	Share (%) 1994
World total ^{a)}	144	99	97	97	103	108

Developed democracies in total	139	98	96	95	101	106
Common market total	122	98	94	87	90	89
EFTA	128	98	96	97	108	117
Eastern Europe ^{b)}	151	-	-	-	-	-
Of which Soviet Union	167	-	-	-	-	-
Developing countries in total	184	106	110	116	124	133

^{a)}Not including Albania, China, the People's Republic of Korea and Vietnam. ^{b)}Including the Soviet Union.

Production index of electrical industry machinery and equipment

Country	1985*	1986*	1987*	1988*	1989*	1990*	1991**	1992**	1993**	1994**
South Korea	255	392	544	689	686	-	-	-	-	-
India	194	220	320	343	383	-	-	-	-	-
Japan	203	207	224	264	282	301	107	97	96	104
Germany ^{a)}	119	124	125	131	143	151	105	102	97	102
Senegal	272	179	143	-	-	-	-	-	-	-
Hungary	127	132	141	143	142	123	-	-	-	-
Canada	115	122	128	139	142	138	93	97	98	108
USA	123	121	126	132	137	139	99	109	120	139
Great Britain	117	119	122	130	138	138	93	89	91	100
Italy	109	113	122	125	132	130	100	97	98	102

1980 =100%; ** 1990 =100%

^{a)}Data of the Federal republic of Germany up to 1991.

Index of the total output of the chemical industry (1980 and 1990 = 100%)

Region/Country	1985*	1986*	1987*	1988*	1989*	1990*	1991**	1992**	1993**
World total ^{a)}	115	120	126	134	138	139	99	102	103
Developed democracies									
in total	112	114	118	125	130	128	99	101	101
Common market total	108	110	114	121	125	119	99	101	99
Of which: France	105	106	109	118	124	126	102	105	105
Eastern Europe total ^{b)}	115	120	123	129	130	123			
Of which: Soviet Union	127	135	141	147	-	-			
GDR	121	123	127	131	-	-			
Hungary ^{c)}	112	114	117	118	108	110	100	93	94
Developing countries in total	131	142	158	173	182	200	101	107	112

^{a)}Not including Albania, China, the People's Republic of Korea and Vietnam;

^{b)}Including the Soviet Union.

c)As of 1991: 1991 =100%

* 1980 =100%; ** 1990 =100%

Production index of the construction industry (1980 and 1990 = 100%)

Country	1985*	1986*	1987*	1988*	1989*	1990*	1991 **	1992**	1993**
Soviet Union	110	119	125	130	132	123			
Belgium	54	54	54	60	63	77	87	103	84
Canada	105	106	111	118	120	121	93	88	88
Great Britain	100	104	110	123	130	132	92	88	97
France	84	88	93	100	104	107	102	101	97
Germany ^{a)}	82	87	87	91	97	102	100	111	114
GDR	117	121	124	128	-	-			
Mexico	91	78	82	79	80	86	107	116	115
Hungary	91	92	93	90	90	77	85	81	79
Argentina	44	48	55	47	32	-	-	-	-

^{a)}Data of the Federal republic of Germany; as of 1991,1991 =100%.

* 1980 =100%; ** 1990 =100%.

Pig-iron production (million tons)

Country	1987	1988	1989	1990	1991	1992	1993	1994	
Soviet Union	114.0	114.6	113.9	110.2	90.9				
Japan	73.4	80.6	81.4	81.4	81.1	74.1	74.4	74.6	
China	56.0	59.6	59.0	64.5	69.5	77.9	89.9	99.2	
USA	48.3	50.6	50.7	50.5	48.5	47.0	48.2	49.4	
Germany ^{a)}	28.6	32.6	33.0	30.3	30.0	-	27.1	30.0	
Brazil	22.2	24.2	24.4	21.1	23.4	23.2	24.7	26.0	
France	13.0	15.1	15.1	14.4	14.1	12.8	12.4	13.3	
Great Britain ^{b)}	12.0	13.0	11.8	12.3	12.1	11.7	11.6	11.8	
India	11.1	10.3	12.2	12.6	12.1	13.0	13.2	-	
Italy	11.6	11.6	12.0	12.0	11.0	10.6	11.2	11.2	
Russia								36.6	
Hungary	21	2.1	2.0	1.7	1.3	1.2	1.4	1.6	
World total	503	504	506	501	505	530	466	-	

^{a)}Data of the Federal Republic of Germany up to 1991.; ^{b)}Not including iron alloys produced in electric furnaces.

Steel production (million tons)

Country	1987	1988	1989	1990	1991	1992	1993	1994
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Soviet Union	161.4	163.0	160.1	154.4	139.9				
Japan	98.5	105.7	107.9	110.3	109.6	98.1	99.6	95.6	
USA	81.0	91.8	88.4	89.7	87.4	83.1	87.0	88.8	
China	58.9	62.1	64.2	64.7	70.6	80.0	88.6	93.1	
Germany	36.3	41.0	41.1	38.4	38,8	36.9	37.6	40.8	
Brazil	22.2	24.6	26.1	20.6	22.6	23.9	25.2	25.8	
Italy	22.8	23.7	25.2	25.5	25.0	24.7	25.8	26.1	
France	17.7	19.0	19.3	19.0	18.4	18.0	17.1	18.0	
Great Britain	17.4	19.0	18.7	16,5	16.6	16.0	16.5	17.2	
Russia							58.1	48.8	
Hungary	3.6	3.6	3.3	2.8	1.9	1.6	1.8	1.9	
World total	734.7	779.6	784.0	774.0	737.0	723.0	718.0	-	

Aluminum production (thousand tons)

Country	1988	1989	1990	1991	1992	1993	1994	
USA	3,944	4,030	4,048	4,121	4,042	3,696	3,299	
Soviet Union	2,400	2,400	2,200	2,300		.		
Canada	1,534	1,555	1,567	1,822	1,972	2,309	2,255	
Australia	1,068	1,241	1,235	1,229	1,243	1,300	1,382	
Brazil	871	888	931	1,140	1,193	1,172	1,184	
China	610	754	855	962	1,096	1,220	1,446	
Norway	857	918	871	886	838	904	894	
Germany¹⁾	744	742	720	690	602	541	503	
Venezuela	443	546	594	610	508	568		
India	289	425	444	504	494	478	479	
Russia				2,733	2,725	2,801	2,671	
Hungary	75	75	76	63	26	28	30	
World total	17,375	18,079	19,325	19,581	19,417	19,656	19,299	

* January to September ¹⁾Data of the Federal Republic of Germany; Germany as of 1991; ²⁾Data of 1993.

Glass production (million m²)

Country	1990	1991	1992	1993	1994	1993
USA	440	399	433	461	-	47.9
Russia		127	118	175	105	18.2
Romania	45	35	36	37	30	3.8

Poland	57	53	50	46	43	4.8
Mexico	51	59	75	88	95	9.1
Belarus		9	10	9	7	0.9
Czechoslovakia	23	15				
Hungary	11	7	38	34	34	3.5
Ukraine		51	46	37	-	3.8
Bulgaria	15	13	10	8	-	0.8
World total	954	815	870	962	887	100

Total fertilizer production (by agent, thousand tons)

Country	1989/90	1990/1991	1991 /1992	1992/1993	1993/1994
Soviet Union	33,434	-			
Russia			-	12,162	10,097
USA	23,105	24,655	25,635	25,628	25,480
China	18,404	19,157	20,147	20,811	19,820
Canada	10,424	10,552	10,355	10,656	11,030
India	8,581	9,062	9,898	9,786	9,105
Germany	8,219	5,921	5,209	5,039	4,292
France	3,621	3,737	3,691	3,211	3,111
Indonesia	2,920	-	2,803	2,950	2,900
Romania	2,683	1,636	1,051	1,345	1,255
Poland	2,589	1,770	1,357	1,410	1,424
Hungary	811	570	275	193	113
World total	152,878	147,589	144,161	138,583	131,539

Production index of the textile industry (1980 and 1990 = 100%)

Country	1986*	1987*	1988*	1989*	1990*	1991 **	1992**	1993**	1994**
World total ^{a)}	106	107	107	108	103	98	97	95	97
Developed democracies in total	99	101	108	103	98	96	94	91	91
of which: USA	108	115	115	118	116	100	107	113	117
Canada	112	117	131	130	117	91	95	99	111
Japan	94	93	93	92	89	98	95	85	82
Common Market total	100	101	101	103	95	96	93	86	85
of which: FRG	96	94	93	93	96	99	91	81	78

Great Britain	99	99	101	97	93	92	90	89	89
Italy	101	104	107	115	111	101	100	98	106
Eastern Europe ^{b)}	106	108	113	116	107	-	-	-	-
of which: Soviet Union	108	109	113	116	113				
GDR	115	121	123	-	-				
Hungary	102	105	106	102	86	100 ^{c)}	85 ^{c)}	87 ^{c)}	91 ^{c)}
Developing countries in total	122	128	126	129	132	102	144	105	108

a) Not including Albania, China, the People's Republic of Korea and Vietnam.; b) Including the Soviet Union. ^{c)}1991 = 100

* 1980 =100%** 1990 =100%

Paper and cardboard production (thousand tons)

Country	1986	1987	1988	1989	1990	1991	1992	1993
USA	64,400	67,140	69,377	71,500	71,965	72,724	75,161	77,250
Japan	20,870	22,500	24,624	26,840	28,088	29,053	28,324	27,764
Canada	15,450	16,200	16,638	16,700	16,466	16,559	16,585	17,557
China	9,140	11,410	12,700	16,487	17,328	18,525	19,929	23,816
FRG ^{a)}	9,350	9,860	10,567	11,100	11,873	13,018	12,941	13,034
Soviet Union ^{b)}	10,395	10,566	10,821	10,651	-	-	5,765	4,464
Finland	7,400	8,010	8,654	9,000	8,967	8,776	9,147	9,990
Sweden	7,363	7,811	8,161	8,363	8,419	8,349	8,378	8,781
France	5,470	5,610	6,313	6,750	7,049	7,442	7,691	7,824
Italy	4,750	4,800	5,353	5,600	5,587	5,795	6,040	6,019
Hungary	517	522	535	505	443	364	348	292
World total	201,000	210,000	226,267	233,167	240,122	243,448	244,925	253,586

a) Data of Germany as of 1991; b) Data of Russia as of 1992.

Types of burglary protection for homes (percentage)

Country		Special lock and doors	Bars on windows	Watchdog	Tall fence	Guard	None	No response
Europe (avg.)	10.7	52.6	11.1	11.0	9.3	8.7	31.3	2.2
England and Wales	25.1	71.4	25.4	28.2	38.9	2.5	7.5	3.2
Belgium	13.5	33.5	3.6	14.9	4.1	6.6	43.9	6.2
Czech Rep.	4.2	63.6	7.9	19.3	6.8	2.1	26.1	4.5
Estonia	1.1	3.9	0.9	3.5	-	0.2	89.3	2.4
Finland	1.2	36.3	0.8	6.4	4.2	20.4	45.7	0.7
The Netherlands	6.0	61.0	15.8	8.2	6.4	5.7	26.5	0.6

Italy	14.2	52.0	12.8	5.8	1.9	10.9	33.0	0.9
Russia	5.7	21.0	4.1	14.3	0.2	3.6	57.9	3.3
Sweden	4.6	61.3	8.0	2.2	0.6	6.0	31.2	1.4
Slovenia	5.2	35.7	5.3	10.1	2.9	0.4	48.5	31.5
Budapest	7.2	50.1	18.3	34.0	8.8	1.8	14.5	-

Note: 1996 data for Budapest, while the others are for 1988 to 1991.

Source: UN survey

Radio set production (thousand units)

Country	1987	1988	1989	1990	1991	1992	1993	Share (%) 1993
Hong Kong	-	-	-	8,182	6,145	6,508	-	5.3 ^{a)}
Singapore	19,868	19,618	-	-	-	-	-	-
China	17,638	15,489	18,347	21,030	19,691	16,489	17,542	-
Malaysia	-	-	28,450	37,019	31,920	31,360	34,537	-
Japan	10,496	10,769	10,690	10,955	14,213	9,418	-	7.7 ^{a)}
Soviet Union	8,143	8,025	8,565	-	-	-	-	-
Brazil	8,676	7,632	7,210	5,151	5,333	5,486	4,097	-
FRG	5,143	4,758	4,975	6,477	-	4,703	4,623	-
USA ^{b)}	4,315	3,061	2,596	3,014	3,504	4,006	-	3.3 ^{a)}
Poland	2,833	2,684	25,23	1,433	589	334	329	-
Russia	-	-	-	-	5,537	4,015	2,806	-
Hungary	100	134	145	66	14	0	1	0.0
World total	137,108	131,298	148,455	144,284	133,273	123,010	115,168	-

^{a)}Share of 1992; ^{b)}Factory sales; ^{c)}Data of Germany as of 1990.

Household Washing Machine Production (thousand units)

Country	1994	1995	Share (%) 1995
China	10 941	9 484	20.9
United States	7 081	-	-
Japan	5 042	4 876	10.8
Italy	6 251	6 996	15.4
South Korea	2443	2827	6.2
France	2 245	-	-
Russian Federation	2 122	1 294	2.9
Poland	449	419	0.9
Hungary	-	-	-

Global total	46 632	45 287	100
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Television Set Production (thousand units)

Country	1994	1995	Share (%) 1995
China	32 833	34 962	26.7
South Korea	17 102	18 722	14.3
United States*	13 881	-	-
Japan	11 192	9 022	6.9
Brazil**	5 522	6 424	4.9
Germany	3 234	-	-
Italy***	2 780	2 780	2.1
France	2 796	-	-
Russian Federation	2 240	1 005	0.8
Hungary	272	274	0.2
Global total	126 983	130 715	100

* 1993: 13 679; ** 1991: 3 255; *** 1991: 2 434

Household Refrigerator Production (thousand units)

Country	1994	1995	Share (%) 1995
United States	11 276	-	-
China	7 681	9 185	14.4
Japan	4 952	5 013	7.9
Italy	5 033	5 908	9.3
Germany	3 794	-	-
South Korea	3 943	3 975	-
Brazil	2 721	3 242	5.1
Great Britain	1 564*	-	-
Russian Federation	2 283	1 531	2.4
Spain**	1 650	1 801	2.8
Hungary***	603	714	1.1
Global total	60 087	63 830	100

* Figure for 1993; ** 1993: 1502; *** 1993: 520

Production index of the pharmaceutical industry (1980 = 100%)

Country	1981	1983	1984	1985	1986	1987	1988	1989
India	109	133	145	142	172	267	275	302
Yugoslavia	120	135	134	145	158	175	176	174
Hungary	112	129	139	150	152	159	154	165
Italy	109	125	135	146	147	150	172	183
Bangladesh	128	142	149	137	129	140	162	146
USA	101	107	108	110	120	125	134	135
FRG	102	105	108	111	108	109	116	121

Trade and Finance

World trade data (USD billion)

Country	1985	1986	1987	1988	1989	1990	1991	1992	1993	1992
<i>World total</i>										
Import	2,008	2,552	2,908	3,133	3,547	3,541	3,791	3,717	4,241	4,994
Export	1,922	2,480	2,814	3,003	3,392	3,420	3,656	3,645	4,163	4,923
Balance	-86	-72	-94	-130	-155	-121	-135	-72	-78	-71
<i>Developed democracies</i>										
Import	1,387	1,838	2,079	2,247	2,577	2,587	2,700	2,542	2,878	3,363
Export	1,272	1,732	1,979	2,123	2,441	2,491	2,636	2,568	2,888	3,391
Balance	-115	-106	-100	-124	-136	-96	-64	26	10	28
<i>Developing countries</i>										
Import	455	518	622	688	774	860	994	1,082	1,236	1,470
Export	481	545	626	689	778	838	926	979	1,141	1,363
Balance	26	27	4	1	4	-22	-68	-103	-95	-107
<i>Specifically OPEC</i>										
Import	98	89	99	102	108	126	156	153	154	179
Export	153	123	121	131	164	166	178	175	183	202
Balance	54	34	22	29	56	40	22	22	29	23

Central Bank Interest Rates in Some Countries (at end of period, annual percentage)

Country	1996	1997	1998	1999
Austria	2.50	2.50	2.50	-
Belgium	2.50	2.75	2.75	-
Brazil	25.34	45.09	39.41	21.37
Republic of South Africa	17.00	16.00	19.32	12.00

South Korea	5.00	5.00	3.00	-
United States	5.00	5.00	4.50	5.00
Finland	4.00	4.00	3.50	-
France	-	-	-	-
Greece	16.50	14.50	-	11.81
The Netherlands	-	-	-	-
Japan	0.50	0.50	0.50	0.50
Canada	3.25	4.50	5.25	5.00
Hungary	23.00	20.50	-	-
Germany	2.50	2.50	2.50	-
Italy	7.50	5.50	3.00	-
Spain	6.25	4.75	3.00	-
Switzerland	1.00	1.00	1.00	0.50
Sweden	3.50	2.50	2.00	1.50

Domestic Interest Rates in Some Countries (annual average %)

Country	1996	1997	1998	1999
Australia*	11.00	9.31	8.04	7.51
Belgium	7.17	7.06	7.25	6.71
Republic of South Africa	19.52	20.00	21.79	18.00
South Korea	8.84	11.88	15.28	9.40
United States	8.27	8.44	8.35	7.99
Finland	6.16	5.29	5.35	4.71
France	6.77	6.34	6.55	6.36
Greece	20.96	18.92	18.56	15.00
The Netherlands	5.90	6.13	6.50	3.46
Japan**	2.66	2.45	2.32	2.16
Canada	6.06	4.96	6.60	6.44
Hungary	27.31	21.77	19.28	16.34
Malaysia	8.89	9.53	10.61	7.29
Great Britain	5.96	6.58	7.21	5.33
Germany	10.02	9.13	9.02	8.81
Italy***	12.06	9.75	7.88	5.58
Spain	8.50	6.08	5.01	3.95
Switzerland	4.97	4.47	4.07	3.90
Sweden	7.38	7.01	5.94	5.53

* 1994: 9.55 1995: 11.12; ** 1995: 3.40; *** 1995: 12.47

Export Price Indices on the World Market (1980 = 100)

	1990	1995	1996	1997	1998	1999
Foodstuffs	88	92	92	89	82	76
Meat	110	98	79	64	95	97
Milk and Dairy Products	110	105	99	90	91	87
Cheese	115	132	117	61	111	111
Eggs	97	80	99	68	66	63
Grains	84	84	93	79	70	**
Wheat	82	94	108	84	69	64
Maize	92	80	79	73	63	58
Potatoes	29	74	54	42	48	50
Coffee, Tea and Cocoa	55	88	76	97	87	72
Coffee	46	83	65	88	68	53
Wine	55	173	159	137	163	56
Sugar	45	48	43	40	32	23
Apple	39	190	187	144	146	128
Lemon	108	147	157	113	112	118
Livestock Feedstuffs	87	83	109	114	79	64
Agricultural Products (excluding foodstuffs)	100	106	98	90	81	73
Oily Seeds, Fats and Oils	78	95	98	97	93	74
Sunflower Oil	77	110	91	92	116	81
Soybean	81	86	101	97	80	67
Forestry Products	114	109	94	85	76	72
Plant Fibers	95	95	85	81	69	59
Wool	95	80	73	76	56	51
Cotton	93	103	90	82	74	61
Jute	113	105	111	84	73	76
Tobacco	125	132	131	136	140	141

Tourism

World-wide trends in tourism (tourists from abroad, thousand persons)

Year	To Europe	To the USA	To the Middle East	To Asia and Australia	To Africa	Total
1960	50,351	16,705	630	860	750	69,296

1970	113,000	36,648	1,864	5,771	2,407	159,690
1980	196,000	53,703	5,821	22,247	7,070	284,841
1981	195,289	53,464	6,160	25,889	8,046	288,848
1982	197,759	50,799	7,907	22,489	7,826	286,780
1983	202,447	51,116	7,129	23,940	8,171	292,803.
1984	217,308	59,467	7,508	26,175	8,804	319,262
1985	227,645	58,609	8,372	29,378	9,819	333,823
1986	229,587	62,716	7,156	32,609	9,366	341,434
1987	242,218	66,807	7,500	37,000	10,200	363,725
1988	251,500	72,550	9,000	44,950	12,000	390,000
1989	271,040	87,242	7,667	49,283	13,802	429,034
1990	283,157	93,722	7,577	56,151	15,066	455,673
1991	285,040	96,916	6,991	58,079	15,979	463,005
1992	306,554	103,977	8,465	66,135	17,757	502,788
1993	309,198	104,171	8,400	72,927	18,296	512,992
<i>Index (previous year = 100)</i>						
1986	100.9	107.0	85.5	111.1	95.3	102.2
1987	105.5	106.5	104.8	113.5	108.9	106.6
1988	103.8	108.6	120.0	121.5	117.6	107.2
1989	107.8	120.3	85.2	109.6	115.0	111.0
1990	104.5	107.4	98.8	113.9	109.2	106.2
1991	100.7	103.4	92.3	103.4	106.1	101.6
1992	107.5	107.2	121.1	113.9	111.1	108.6
1993	100.9	100.3	99.2	110.3	103.0	102.0
<i>Distribution (%)</i>						
1960	72.7	24.1	0.9	1.2	1.1	100.0
1970	70.8	22.9	1.2	3.6	1.5	100.0
1980	68.8	18.9	2.0	7.8	2.5	100.0
1987	66.6	18.4	2.0	10.2	2.8	100.0
1988	64.5	18.6	2.3	11.5	3.1	100.0
1989	63.2	20.3	1.8	11.5	3.2	100.0
1990	62.1	20.6	1.7	12.3	3.3	100.0
1991	61.6	20.9	1.5	12.5	3.5	100.0
1992	61.0	20.7	1.7	13.1	3.5	100.0
1993	60.3	20.3	1.6	14.2	3.6	100.0

Revenues from tourism (USD million)

Year	Europe	USA	Middle East	Asia and Australia	Africa	Total
1960	3,918	2,452	89	230	178	6,867
1970	11,200	4,800	300	1,200	400	17,900
1980	61,654	25,505	3,474	9,020	2,710	102,363
1987	96,326	41,842	5,313	22,431	3,627	169,539
1988	105,048	49,865	5,021	29,671	4,566	194,171
1989	109,861	59,756	5,357	36,129	4,534	215,637
1990	140,413	69,555	5,107	40,796	5,237	261,108
1991	139,448	76,837	4,280	42,108	4,957	267,630
1992	159,968	84,091	5,400	48,692	5,912	304,063
1993	152,314	89,469	4,172	53,894	5,903	305,752

Index (previous year = 100)

1987	125.1	112.7	131.6	128.0	121.4	122.2
1988	109.1	119.2	94.5	132.3	125.9	114.5
1989	104.6	119.8	106.7	121.8	99.3	111.1
1990	127.8	118.4	95.3	112.9	115.5	121.1
1991	99.3	110.5	83.8	103.2	94.7	102.5
1992	114.7	109.4	126.2	115.6	119.3	113.6
1993	95.2	106.4	77.3	110.7	99.8	100.6

Distribution (%)

1960	57.0	35.8	1.3	3.3	2.6	100.0
1970	62.6	26.8	1.7	6.7	2.2	100.0
1980	60.2	24.9	3.4	8.8	2.7	100.0
1987	60.0	21.0	3.0	13.7	2.3	100.0
1988	60.5	20.0	3.6	13.6	2.3	100.0
1989	50.9	27.7	2.5	16.8	2.1	100.0
1990	53.8	26.6	2.0	15.6	2.0	100.0
1991	52.1	28.7	1.6	15.7	1.9	100.0
1992	52.6	27.7	1.8	16.0	1.9	100.0
1993	49.8	29.3	1.4	17.6	1.9	100.0

Revenues from tourism as a percentage of goods and services exported

Country	1985	1987	1988	1989	1990	1991	1992	1993
Austria	16.8	19.0	18.9	33.0	32.5	33.6	32.7	33.7
USA	3.3	5.3	5.4	10.0	10.9	11.5	12.0	12.2

France	5.2	5.4	5.6	9.4	9.6	10.0	10.8	11.3
Greece	20.1	22.2	21.1	26.2	31.9	29.6	34.2	31.5
The Netherlands	1.7	2.2	2.1	2.8	2.8	3.2	3.7	3.4
Japan	0.5	0.7	0.8	1.1	1.2	1.1	1.1	1.0
Canada	3.5	4.2	4.1	4.1	4.4	4.6	4.2	4.1
Hungary	6.5	6.7	6.7	5.7	8.5	9.7	11.5	13.7
Germany	2.7	2.1	2.1	2.3	2.5	2.6	2.6	2.9
Italy	8.1	7.8	4.5	8.5	11.7	10.9	12.0	12.2
Spain	21.1	26.1	25.1	37.2	33.4	31.6	34.5	30.9
Great Britain	6.9	-	-	7.4	8.1	7.1	7.3	7.4
Switzerland	11.5	-	-	10.8	10.6	11.4	12.2	11.9

Expenditures of the tourism industry as a of goods and services imported

Country	1980	1985	1988	1989	1990	1991	1992	1993
Austria	9.1	9.0	11.7	16.1	15.7	14.6	15.5	16.8
USA	4.7	5.2	5.1	6.8	7.2	6.9	7.2	6.8
France	3.5	3.0	4.0	5.3	5.3	5.3	5.8	6.4
Greece	2.6	3.1	4.6	5.1	5.5	4.7	5.1	3.9
The Netherlands	4.8	3.9	5.2	6.2	5.8	6.4	7.2	6.9
Japan	2.7	2.9	6.5	10.6	10.7	10.1	11.5	11.1
Canada	5.0	4.9	5.2	6.7	8.4	9.1	8.7	7.7
Hungary	1.4	2.4	2.5	10.8	5.4	3.8	5.8	5.9
Great Britain	4.1	3.3	4.7	7.7	8.5	8.4	9.0	8.4
Germany ^{a)}	8.5	7.4	7.6	8.0	8.3	8.0	9.0	11.3
Italy	1.6	1.7	3.4	4.4	7.7	6.4	8.8	8.8
Spain	3.0	2.7	3.3	4.3	4.8	4.9	5.6	5.7
Switzerland	6.8	7.1	7.7	8.4	8.3	8.5	9.8	10.2

^{a)}Data of the united Germany (formerly Federal Republic of Germany) as of 1992.

Number of nights spent by guests at hotels and other commercial accommodation abroad (thousand)

Country	Hotel	Other comm.	Total	Hotel	Other comm	Total	Hotel	Other comm.	Total	H
Accommodation 1980			Accommodation 1989			Accommodation 1990			Accommoda	
Austria	55,578	34,625	0,203	61,428	33,540	94,968	61,894	32,895	94,788	64.
France	16,665	238,035	254,700	51,705	319,62.0	371,325	55,934	331,271	387,205	59.

Greece	26,625	2,895	29,520	32,939	1,219	34,158	35,012	1,287	36,299	
The Netherlands	6,137	-	-	1,352	7,007	14,359	8,102	8,357	16,459	8
Hungary	3,651	6,025	9,616	6,113	10,551	17,210	6,373	7,245	13,618	5
Germany	19,003	3,721	22,124	29,638	8,391	38,029	30,954	8,192	39,146	29
Italy	66,188	37,077	103,265	68,139	18,748	86,887	66,012	18,708	84,720	63
Spain	58,654	3,545	62,199	78,301	4,768	83,069	64,627	4,003	68,630	77
Switzerland	19,980	16,046	36,026	20,489	15,463	35,952	21,041	15,848	36,889	20

*Data of the unified Germany (formerly Federal Republic of Germany) as of 1992.

Number of nights spent by guests at commercial accommodation in Hungary (thousand)

	Total	Of which: in hotels							Of which: hotels
Country	1980	1986	1989	1990	1980	1986	1989	1990	19
Austria	28,544	28,228	28,816	28,841	14,917	14,282	14,816	15,152	30,4
France	718,000	-	1,071,341	1,077,667	86,800	-	87,685	89,869	1,021,1
Greece	10,750	-	11,396	11,346	9,908	11,396	11,594	11,943	12,0
The Netherlands	68,000	-	36,761	39,368	4,201	-	5,911	6,396	39,1
Canada	-	256,841	-	253,673	-	47,507	-	51,514	
Hungary	13,549	13,119	11,402	8,768	1,933	1,620	1,453	1,315	6,0
Germany**	257,714	203,420	222,834	234,579	11,232	107,826	120,8161	128,012	248,0
Italy	225,489	239,765*	159,633	167,496	99,309	106,998*	119,162	125,053	173,1
Spain	-	-	61,190	64,748	37,784	41,816	53,123	55,254	68,0
Switzerland	38,168	38,948	39,818	38,986	13,080	13,226	13,660	13,587	39,8

*1985 data.;

**Data of the unified Germany (formerly Federal Republic of Germany) as of 1992.

Transportation

The world's fleet of motor vehicles (million units)

Designation	Motor vehicles in total	Automobiles	Buses and trucks	Designation	Motor vehicles in total	Automobiles	Buses and trucks
World total							
1960	117.8	91.1	26.7	1988	536.2	407.7	128.5
1970	246.6	193.8	52.8	1989	555.5	423.4	132.1
1980	420.0	326.3	93.7	1990	579.1	442.0	137.1
1985	483.8	370.5	113.3	1991	593.4	453.3	140.1

1986	500.3	382.9	117.4	1994	642.1	490.9	151.2
1987	515.8	393.6	122.2	1995	665.8	492.7	173.9
By continents							
	1970				1980		
North America	116.5	95.9	20.6		172.4	133.8	38.6
Western Europe	74.3	65.4	8.9		116.6	105.0	11.6
Far East	21.2	11.0	10.2		46.6	28,5	18.1
Eastern Europe	10.4	4.7	5.7		30.6	20.3	10.3
Central and South America	10.2	6.6	3.6		25.6	18.8	6.8
Other areas*	14.0	10.2	3.8		28.2	19.9	8.3
	1985				1989		
North America	185.0	141.6	43.4		205.1	156.8	48.3
Western Europe	138.1	122.9	15.2		159.4	140.5	18.9
Far East	60.4	34,9	25.5		76.4	43.6	32.8
Eastern Europe	36.6	25.3	11.3		43.4	31.2	12.2
Central and South America	32.7	24.2	8.5		34.8	26.0	8.8
Other areas*	31.0	21.6	9.4		36.4	25.3	11.1
	1987				1990		
North America	194.7	150.5	44.2		208.8	160.2	48.6
Western Europe	147.3	130.4	16.9		167.0	146.9	20.1
Far East	65.8	37.4	28.4		81.7	47.3	34.4
Eastern Europe	40.4	27.8	12.6		48.6	35.1	13.5
Central and South America	34.7	24.8	9.9		35.4	26.0	9.4
Other areas*	32.9	22.7	10.2		37.6	26.5	11.1
	1988				1991		

North America	198.9	152.5	46.4		207.5	158.2	49.3
Western Europe	153.3	135.2	18.1		171.1	150.6	20.5
Far East	71.7	39.9	31.8		87.6	51.9	35.7
Eastern Europe	42.5	30.2	12.3		52.2	38.4	13.8
Central and South America	34.2	25.2	9.0		36.7	25.9	10.8
Other areas*	35.6	24.7	10.9		38.3	28.2	10.2
	1994				1995		
European Common Market							
Countries	170.4	150.1	20.3		182.9	161.3	21.6
Other European Countries	71.1	54.2	16.9		62.7	46.4	16.3
America	257.0	193.3	63.7		271.2	186.8	84.4
Asia	114.9	72.7	42.2		119.4	77.0	42.4
Africa	16.1	10.6	5.41		6.5	10.9	5.6
Pacific archipelago	12.7	10.0	2.7		13.1	10.3	2.8

*Africa. Middle East, Caribbean Islands and the Pacific archipelago.

Number of motor vehicles per 1000 inhabitants

Country	1980	1985	1988	1989	1990	1992	1994
USA	598	-	631	639	631	564	565
Italy	313	392	409	421	435	521	522
FRG ^{a)}	377	424	470	480	489	485	490
Canada	427	432	466	480	501	481	472
Switzerland	355	406	424	426	436	449	453
Austria	298	335	366	381	409	412	433
France	341	380	403	410	415	419	430
Great Britain	273	314	359	376	381	409	419
Belgium	321	339	364	376	386	403	414
Sweden	347	377	413	421	429	413	409
Norway	302	365	386	398	406	377	383
The Netherlands	322	340	356	363	372	373	383

Finland	256	314	363	381	384	384	368
Spain	201	240	276	295	306	335	351
Japan	202	230	251	265	272	313	342
Denmark	271	294	311	313	314	310	311
Czechoslovakia	138	174	192	200	207	191	287 ^{b)}
Portugal	130	134	209	224	249	205	242
Hungary	95	135	170	112	191	200	212
Greece	89	127	151	158	164	170	190
Bulgaria	-	109	136	141	148	-	178
Poland	67	99	119	128	134	170	176
Romania	-	39	48	51	60	-	89
Brazil	67	68	67	-	-	67	74
Turkey	15	20	23	23	31	-	47

^{a)}Data of Germany as of 1992.

^{b)}Data of the Czech Republic,

Length of motorway network (km)

Country Year	Length of motorways	Country Year	Length of motorways	Country Year	Length of motorways
Austria					
1980	938	1980	1,192	1980	112
1985	1,261	1985	1,456	1985	221
1986	1,335	1986	1,526	1986	228
1987	1,372	1987	1,526	1987	244
1988	1,405	1988	1,613	1988	258
1989	1,407	1989	1,613	1989	266
1990	1,470	1990	1,613	1990	273
1991	1,463	1991	1,651	1991	273
1993	1,567	1993	1,665	1993	277
1994	1,589	1994	1,666	1994	277
Czech Rep.					
1993	390	1980	516	1980	65,328
1994	392	1985	593	1985	-
		1986	593	1986	-
		1987	599	1987	-
		1988	603	1988	-

		1989	601	1989	-
		1990	650	1990	61,654
		1991	710	1991	72,448
		1993	737		
		1994	786		
<i>Finland</i>		<i>Netherlands</i>			
1980	204	1980	4,481	1980	1,780
1985	204	1985	6,471	1985	1,872
1986	204	1986	6,555	1986	1,973
1987	215	1987	6,766	1987	2,000
1988	214	1988	-	1988	2,040
1989	215	1989	-	1989	2,045
1990	225	1990	6,824	1990	2,061
1991	249	1991	6,850	1991	2,090
1993	337	1993	7,614	1993	2,200
1994	388	1994	7,956	1994	2,300
<i>Japan</i>					
1980	2,579	1980	4,939	1980	130
1985	3,551	1985	6,268	1985	200
1986	3,721	1986	-	1986	217
1987	3,721	1987	-	1987	218
1988	3,721	1988	-	1988	218
1989	-	1989	-	1989	218
1990	-	1990	-	1990	267
1991	-	1991	-	1991	269
		1994	14,985	1993	269
				1994	293
<i>Great Britain</i>					
1980	2,694	1980	7,292	1980	5,900
1985	2,879	1985	8,198	1985	5,955
1986	2,971	1986	8,250	1986	5,997
1987	2,971	1987	8,416	1987	6,083
<i>Great Britain</i>					
1988	3,100	1988	8618	1988	6,091

1989	3093	1989	8,539	1989	6,106
1990	3,183	1990	8,822	1990	6,743
1991	3213	1991	8,959	1991	6,216
1993	3,252	1993a)	11,080	1993	6,401
1994	3,286	1994a)	11,143	1994	-
<i>Spain</i>					
1980	1,182	1980	-		
1985	2,142	1985	1,054		
1986	2,142	1986	1,075		
1987	2,262	1987	1,114		
1988	2,344	1988	-		
1989	2,424	1989	1,120		
1990	5,126	1990	1,495		
1991	-	1991	1,495		
1993	7,404	1993	1,530		
1994	7,736	1994	1,533		

Number of persons dying in road accidents per 100 million vehicle-kilometers

Country	1980	1985	1988	1989	1990	1993
Sweden	1.9	1.9	1.4	1.4	1.2	-
Norway	1.9	1.8	1.4	1.4	1.2	1.0
USA	2.1	1.5	1.5	1.4	1.4	-
The Netherlands	3.0	1.9	1.5	1.5	1.4	1.2
Finland	2.1	1.7	1.8	1.9	1.6	1.1
FRG	3.9	2.4	2.0	1.9	1.7	1.9 ^{a)}
Great Britain	2.5	1.9	2.0	1.9	1.8	1.0
Japan	2.3	2.2	-	-	-	-
Denmark	2.7	2.8	2.3	2.3	2.2	1.3
Italy	3.8	2.8	2.4	-	-	-
Switzerland	3.5	2.2	-	-	1.9	
Austria	5.7	3.9	3.8	3.5	3.4	-
France	4.8	3.7	4.2	-	-	
Belgium	6.9	4.8	-	-	-	-
Spain	7.1	6.5	6.5	6.9	6.6	-
Hungary	10.0	8.7	1.0	7.0	7.1	-

^{a)}Germany.

Number of persons dying in road accidents per 10,000 vehicles

Country	1980	1985	1988	1989	1990	1993	1994
Norway	2.7	2.4	2.0	2.0	2.0	1.7	-
Japan	2.1	2.0	-	-	-	-	
Sweden	2.7	2.4	2.2	2.3	2.2	1.8	1.7
Italy	4.5	2.9	2.4	2.4	2.4	-	
The Netherlands	4.1	2.7	2.4	2.5	2.5	2.2	2.2
Great Britain	4.0	2.7	2.6	2.5	2.5	1.8	1.7
FRG	5.3	3.1	2.7	2.6	2.6	3.0 ^{a)}	2.5 ^{a)}
USA	3.3	2.6					2.9
Switzerland	5.1	3.2	3.1	3.0	3.1	2.3	2.1
Finland	4.0	3.1	3.2	3.4	3.5	2.6	2.6
Denmark	4.2	4.4	3.8	3.9	4.0	3.5	3.4
France	5.9	4.4	4.1	4.0	4.5	3.7	3.4
GDR	6.8	4.7	4.1	4.2	4.5	-	
Austria	7.1	4.9	4.8	4.4	4.7	3.8	3.8
Czechoslovakia	8.3	5.4	-	4.7	6.2 ^{b)}	5.7 ^{b)}	5.5 ^{b)}
Belgium	7.1	5.0	5.0	4.9	5.1	4.0	4.0
Spain	5.6	4.5	5.0	5.2	5.6	4.7	
Greece	9.7	9.1	6.8	5.4	10.0	-	
Portugal	-	-	9.8	8.6	8.9	6.3	-
Hungary	14.2	10.9	8.5	11.1	12.0	8.0	7.2
Poland	19.6	10.3	8.8	14.4	12.0	9.4	9.4
Romania		11.3				15.8	14.2
Yugoslavia	19.0	13.4	13.5	12.7	13.0		
Turkey	33.7	35.6	35.1	34.5	34.0	25.6	20.8

^{a)}Germany

^{b)}Czech Republic

Number of persons dying in road act per 100,000 inhabitants

Country	1980	1985	1988	1989	1990	1993	1994
Great Britain	11.1	9.4	-	9.7	9.2	6.6	6.3
Norway	8.9	9.7	9.8	9.9	7.8	6.5	6.6
Sweden	10.2	9.7	9.6	9.4	9.1	7.2	6.7
Japan	7.4	7.6	7.5	-	-	-	-

The Netherlands	7.1	9.9	9.3	9.8	9.3	8.2	8.4
Finland	11.5	11.0	13.2	14.8	13.1	9.5	9.4
Switzerland	19.7	14.0	14.3	14.1	14.3	10.4	9.7
Turkey	8.4	11.1	12.6	13.0	11.1	10.8	9.7
Denmark	13.5	15.1	13.9	13.1	12.3	10.8	10.5
GDR	12.0	10.0	9.9	10.7	10.8		
Italy	15.2	12.5	12.1	11.6	11.6	11.6	11.5
FRG	21.2	13.8	13.5	12.9	12.8	12.3 ^{a)}	12.1 ^{a)}
Romania	3.8	5.8	5.2	-	6.8	12.4	12.7
Spain	13.4	12.7	16.3	18.5	17.9	16.3	14.3
France	23.0	18.9	18.9	18.7	18.3	15.7	14.7
Hungary	15.2	16.5	16.1	20.4	20.5	16.3	15.2
USA	22.4	18.3	19.1	18.3	18.1	-	15.6
Czechoslovakia	12.4	9.9	9.4	10.3	10.4	14.8 ^{b)}	15.8 ^{b)}
Austria	23.1	18.0	19.0	18.4	18.2	16.1	16.7
Belgium	24.3	18.3	19.9	20.1	19.9	16.5	16.8
Poland	16.9	12.6	12.8	17.8	17.9	16.5	17.5
Greece	12.7	17.2	15.1	16.9	17.3	17.6	18.3
Yugoslavia	22.6	17.8	19.3	19.5	20.9	-	-
Portugal	-	-	24.6	22.7	22.9	21.0	-

^{a)}Germany.

^{b)}Czech Republic.

Length of inland water routes in some countries (km)

Country	1990	1994	Country	1990	1994
Austria	358	358	Poland	3,997	3,980
Belgium	1,951	1,434	Luxembourg	37	37
Bulgaria	471	470	Hungary	1,622	1,366
Czech Republic		543	Great Britain	2,351	1,192
USA ^{a)}	20,573	58,404	Germany		7,480
Belarus		2,493	Italy	1,366	1,466
Finland	6,239	6,245	Russia	100,677	93,779
France	8,500	5,736	Portugal	124	124
The Netherlands	5,016	5,046	Romania	1,659	1,613
Croatia		918	Ukraine	3,647	3,662

^{a)}Does not include disused navigational routes and those belonging to the Great Lakes.

National Economy

Economic Processes

Having been successfully stabilized in 1995 and 1996, the Hungarian economy experienced relatively high GDP growth of around 4-5% in the late 1990s, while its external and internal equilibrium positions did not deteriorate as sign of danger. On the contrary, they even suggested improvement occasionally. In other words, the stabilization program was accompanied by rapid modernization, which continued through 1999 and 2000, albeit at a slower pace.

The concentrated nature of this growth, however, remained along with the strengthening of the boom, and only a decline in the difference of rates prevailed at the most. The driving force behind the Hungarian economy undergoing consolidation was primarily made up of multinational firms active in the industrial sector – more specifically in the engineering industry – whose goods are produced for exportation, and which had sited themselves in the west of the country or in Budapest and its environs (in the “golden triangle” bound by the cities of Győr, Szombathely, Komárom, Székesfehérvár, and Budapest). Differences in production according to sector, sub-sector, ownership, corporate size, market orientation, and region began to manifest themselves in the population’s diverging stockpiling and consumption capabilities, and in strengthening differences in wealth. The one-third/two-thirds social divide that formed in the first half of the 1990s had stabilized, with income differences widening even in 2000 (when the highest growth rate was realized), so the government program aimed at compensating the losers failed in this regard. Between 1998 and 2000, GDP growth originating in the industry was two or three times as much as the growth in the output of the rest of the sectors, as a result of which the industry’s share in the GDP rose to over 40%. This was attributed primarily to the processing industry, since mining fell back and the energy sector stagnated. This was essentially due to the driving force of the external markets, which exceptionally fostered the development of sectors producing for the export market. These sectors were in contrast with the ones producing for the internal market, in which the demand was not even close to the former. Agriculture could have also been considered in terms of exportability, however, this sector was unable to recover even in those years because of uncertain ownership and serious capital shortages. In 2000 the gross output of the agricultural sector was still at 1997 levels.

The results of the construction industry – having increased its output by approximately 30% over three years due to an active investment demand – and the dynamic development of telecommunications and commerce stood out from the sectors producing for the internal market. The business cycles failed to coincide with the calendar in the survey period as well. The three years between 1998 and 2000 can essentially be divided into four stages. The differences between and duration of the stages were determined by changes in export market conditions, which is indicative of the markedly open nature of the Hungarian economy, and its striking dependence on the foreign market and investors. The first stage, which lasted until mid-1998, was characterized by the upward boom of 1997, when, in addition to exports, a rise in investments and consumption considerably impacted on GDP growth. Partly due to the Russian crisis and partly to unsettled sentiments because of the change in government, a lag followed this surge and lasted until mid-1999. Production growth then regained pace after the EU regained its prosperity. The fourth stage began in mid-2000, when both external and internal market demand weakened. Initially, the rate of decline was due to a high reference figure, though weakening net exports (balance of the export and import of goods and services) also made themselves felt by the end of the year.

While the GDP increased by approximately 15% between 1998 and 2000, the employment rate rose by only 5%. So, growth followed a very profound course – demanding of technology but not of labor. This suggested a major rise in productivity. The unemployment rate dropped from 7.8% in 1998 to around 6% in 2000, without any improvement in structure.

Throughout the period, the dynamics of real income constituted 50% of GDP growth, and fell short

of the rise in the economic productivity rate. So, in terms of wages, no inflation was generated within the period surveyed.

Regarding inflation, the interval between 1998 and 2000 can be divided into two periods. In the first period, industrial price rises dropped to one quarter of the 1997 figure of 20% by 1999 (to 5.1%). The construction industry's pressure on prices in 1999 was approximately half (10.7%) of the 1997 figure (20%). Regarding agricultural production prices, however, the inflation rate dropped even faster, with producer inflation falling to 1/5 its value in two years (from 13.4% to 2.6%), which was accompanied by a rather marked widening of the price gap between agricultural and industrial products in 1999. The growth rate of consumer prices also fell significantly, by 8.3 percentage points over 24 months. Powerful deflation - which contradicted the vital boom - was essentially the outcome of world market deflation stemming from the Asian, then the Latin American and Russian crises, which manifested itself primarily in a fall in oil and food prices. The cooling off of inflation was also aided by appreciative exchange-rate policy.

During 2000 - the second stage - however, adjustments took place, with factors formerly reducing inflation gaining momentum. The price pressure exerted by industrial producers more than doubled over the space of twelve months (from 5.1 percent to approximately 11.5 percent). Agricultural price pressure increased approximately eight-fold (from 2.6 percent to approximately 21 percent), and consumer inflation did not abate either; prices rose by approximately 10 percent, just as much as during the previous year. Core inflation also started rising from the second semester of 2000.

The outward balance developed in accordance with the changes that growth factors had undergone: the deficit in the current balance of payments - measured as a proportion of the GDP - exhibited a marked decline following the institution of an economic stabilization policy, amounting to 2.1 percent in 1997. In 1998, however, it rose to 4.8 percent because of brisk imports, which was the result of increased internal demand and was accompanied by export demands receding due to the Russian financial crisis. In 1999 and 2000 strengthening exports and a gradual rollback of consumption improved the outward balance index (to 4.4 percent in 1999 and to 3.8 percent in 2000).

Deficit financing was variable during the surveyed period. While in 1997 the influx of foreign capital generously financed (over-financed) the country's external resource demand, in 1998 it managed to cover only one third of the deficit in the current balance of payments. Namely, due to regional distrust appearing as a result of the change in government and the Russian financial crisis, USD 800 million less foreign capital was brought into Hungary, coupled with a dramatic rise in the exportation of domestic capital. Both operating capital investment and portfolio investments in stocks and bonds had lost momentum. As a result, the downward trend in the net outstanding total debt expressed as a percentage of the GDP - noticeable since 1995 - was broken.

In 1999 the situation changed with lower deficit being offset by a higher capital influx. Even though only EUR 300 million more operating capital flowed in, Hungarian capital export, however, dropped by nearly 50 percent. At the same time, advantageous interest premiums managed to attract portfolio investments again. So, the net outstanding total debt expressed as a percentage of the GDP fell to 24.8 percent from the previous year's figure of 26.4 percent. The lower outward deficit in 2000, however, was again only partly financed by net capital injection this year, which is on the decrease primarily due to the outflow of portfolio capital. Thus, the country's exchange debt is on the rise again.

Inbound working capital varied around EUR 1.2-1.5 billion per annum within the period surveyed in spite of the fact that privatization was mostly over. The majority of the investments had been green-field investments, whose bulk was implemented by the suppliers of multinational firms that had already settled in. Foreign capital investment increased, albeit through the reinvesting of profits and proprietary loans.

A change in the budget deficit relative to the GDP indicates changes in the equilibrium regarding internal processes. This index improved (from 8.6 percent in 1994 to 1.9 percent in 1997) following

the adoption of an economic stabilization policy, then deteriorated as a result of loosening budget policy during the elections, rising to 4% percent. As a result of a unique economic policy adjustment in 1999 and 2000, it was possible to limit the budget deficit near the Maastricht requirement (3%). The proportion of the national debt relative to the GDP dropped thanks to a reduced deficit in the balance of current accounts, downward interest trends, and accelerating GDP dynamics, dropping below the 60% specified by the Maastricht requirements (it amounted to 64% in 1997 and 57% in 2000).

Of course, the government's economic policy also played a major part in forming the key macroeconomic trends outlined above. There had been major expectations in respect of the Fidesz-led cabinet. Their new voter base expected the bold promises made during the election campaign to be fulfilled as soon as possible by the new young and dynamic Prime Minister who firmly believed in willpower. Those, however, who contemplated the country's situation in the long term were worried that intolerable foreshadowing would begin - reaping the success of the stabilization policy - which would quickly unsettle the country again. The investors lost confidence, and the stock market began to tumble. The question was whether the new cabinet should continue its predecessor's balance-preserving economic policy or go in a new (old) direction.

With two and a half years elapsed, it can be judged that the Fidesz-led coalition essentially trod in the steps of its predecessor, while making major changes in the economic control structure. Apart from the decisions it had made, the cabinet can also be held negligent in many things. These three issues are examined briefly below.

In terms of its actual practice, economic policy exhibited no change. The communication which set the government's economic policy to music in order to cover up the activity was entirely different. In its communicated economic policy, the cabinet overemphasized as much as it could its disgust at the stabilization package and all manner of austerity policy, while it claimed even the most trivial results to be its own and magnified them out of proportion. If none were to be found, for example in home and road building, it envisioned a better future. The cabinet considered this feat of communication hocus focus as an alternative more valuable than open talk or the unity of action and words.

Such Janus-faced politics had to be discarded because the government had overestimated the 1999 budget in the 'captivity' of its promises made during the election campaign. In spite of stepping back (e.g., raising pensions), the actual budget contained considerable overexpenditure, which could have caused extreme problems had no interventions been made (both inflation and GDP growth had been overestimated, they relied too much on the inflow of tax revenues, etc.). The cabinet was averse to effecting an intervention throughout the first half of 1999, while the decisions on limiting expenditures and increasing revenues had already been made. For the benefit of maintaining an equilibrium, the government made a silent adjustment that year, whose nominal magnitude reached that of the so-called Bokros Package. In terms of content, though, it did not directly affect the population (the freezing of extraordinary reserves and central investments, the devotion of state assets to current expenditures, bookkeeping maneuvers, etc.). The means committed to silent adjustment, however, could only be used once, while the extent of the tasks they financed did not decrease. Moreover - in order to meet EU requirements - the budget deficit even had to be reduced by 2000. To make up for revenues lost, Fidesz initially tried to introduce a "tax reform", which would have resulted in greater revenues by widening the taxable base. The coalition partner's expert, however, did not accept such an idea contradictory to the government's program, so the new tax plans had been dropped from the agenda.

So, in order to keep the 2000 budget at bay, the government resorted to an instrument of economic policy called 'underplanning the budget'. Because of significantly higher revenues than expected (cca. HUF 250 billion more) and expenditures barely rising above the targets, the budget abounded in money that year. Consequently, invisible adjustment followed the principle of "global pillaging" resulting from higher inflation this time, which hit budget-financed entities the worst. Using the tricks employed in 1999 and 2000 - albeit communicating them in an entirely different way - they

managed to maintain an internal equilibrium even in conjunction with a high growth rate, while the outward balance was kept healthy by a definitely favorable export demand from the second semester of 1999.

The revamping of control over the economy by the government is something that definitely caused significant changes. The government was made 'double-headed', and the Smallholders, being in an advantageous blackmailing position, were given uncontrolled omnipotence in the agricultural and environmental departments, where subsidization rates were said to be decided during private discussions between the Prime Minister and the Smallholder Party President.

The referee's offices set up at the Prime Ministerial Office were intended to exercise control over the ministries in order to assert the interests of the overall economy against those of sectoral policy. Yet they were unable to fulfil their function because control over the economy had never been as political as then. The Ministry of Finance - representing financial control - was weakened, and they continued an incessant battle to bring discredit on the authority of the National Bank of Hungary. In spite of having incorporated the drafting of a socioeconomic strategy in the system at several points (the Prime Ministerial Office, the Ministry of Economy, and the Ministry of Finance), no effective economic strategy took form until late 2000.

Control over the economy again and increasingly reeks of centralization, the elimination of a system involving the consideration of interests, and the revival of paternalism. The principle of Social Security Local Governments was liquidated, privatization was frozen - moreover deprivatization even started, local government financing was considerably cut (while increasing their workload), and redistribution was then made party policy-based. The direct intervention in the economy by politics increased the political risks inherent in Hungarian stock investments, which - in spite of favorable macro-indices - threw the stock market index to unexpected depths in the early spring of 2000.

The passing of a two-year budget was certainly a novel achievement by the new government, embodying another major limitation of parliamentary democracy. Namely, for autumn 2001, the government is granted full authorization to adjust the 2002 budget - whose expenditure targets are already extremely limited - in accordance with unforeseeable developments. A two-year budget represents a predictable economic and political margin at least for the government.

The government's economic policy was negligent in that it brought the process of economic change to a standstill. The considerable decline in inflation in 1998 and 1999 due to external causes (global economy) made the cabinet overly comfortable, so they failed to work out a the powerful anti-inflation package promised in the government's program. Instead they generated increasing volumes of latent inflation through official price fixing.

During its governmental cycle, the administration took the job of transforming state finance off the agenda for good by passing the two-year budget. It is now certain that no balanced budget will be created, the state's task will not be redefined, and the tax system - reinforcing EU conformity - will not change. No reforms are expected in public administration or health care either.

In summary: over the eighteen months elapsed between 1998 and 2000 the cabinet limited the operation of the market economy, while keeping the economy on a course of growth, and also failed to facilitate further high-rate, financeable development of the degree expected. Following the non-communicated economic adjustment of 1999 and 2000, an economic policy relying on marked internal expansion is expected from 2001, which will entail a deterioration of the equilibrium.

Mária Zita Petschnig

Main Indices of the Hungarian Economy

The Gross Domestic Product (GDP)

Year	At current price (HUF billions)	Previous year=100 (At comparative, current prices HUF)	Per capita price (HUF)	Year	At current price (HUF billion)	Previous year=100 (At comparative, current prices HUF)	Per c (
1980	721.0	100.2	67 339	1990	2 089.3	96.5	20
1981	779.9	102.9	72 888	1991	2 308.4	88.1	22
1982	847.9	102.8	79 366	1991	2 498.3	88.1	24
1983	896.4	100.7	84 120	1992	2 942.7	96.9	28
1984	978.4	102.7	92 139	1993	3 548.3	99.4	34
1985	1 033.6	99.7	97 708	1994	4 364.8	102.9	42
1986	1088.8	101.5	103 358	1995	5 561.9	101.5	54
1987	1 226.4	104.1	116 948	1995	5 614.0	101.5	54
1988	1 409.5	99.9	134 978	1996	6 893.9	101.3	67
1988	1 440.4	99.9	137 932	1997	8 540.7	104.6	84
1989	1 722.8	100.7	165 685	1998	10 087.4	104.9	99

Note: Due to changes in methodology effective from 1988 and 1991, the figures for 1988 are stated according to both the old and new billing methods. From 1991 it excludes the non-divided fee for financial intermediation services. Two kinds of index numbers are quoted for the reference years to facilitate comparison. The per capita GDP (1998) was USD 4,651.

Source: Central Bureau of Statistics (KSH)

Distribution of GDP Utilization, at Current Price

	1996	1997	1998
Domestic utilization	101.1	100.0	102.1
Of which:			
Household consumption	63.7	61.7	62.3
Communal consumption	10.2	10.5	10.2
Final consumption	73.9	72.3	72.4
Gross fixed-asset accumulation	21.4	22.2	23.6
Inventory change and other unspecified usage	5.8	5.5	6.0
Gross accumulation	27.2	27.7	29.7
Export (goods and services)	38.9	45.5	50.6
Import (goods and services)	39.9	45.5	52.7
Import surplus (-)	-1.1	0.0	-2.1
Gross Domestic Product	100.0	100.0	100.0

Source: Central Bureau of Statistics (KSH)

GDP Utilization Indices (At comparative, 1995 prices)

	1996	1997	1998	1998 At current price HUF billions
Previous year=100.0				
Domestic utilization	100.6	104.0	107.8	10 299.7
Of which:				
Household consumption	96.6	101.7	104.9	6 282.8
Communal consumption	95.8	105.7	99.7	1 024.6
Final consumption	96.5	102.3	104.1	7 307.4
Gross fixed-asset accumulation	106.7	109.2	113.3	2 384.6
Inventory change and other unspecified usage	-	-	-	607.8
Gross accumulation	113.9	108.7	117.1	2 992.4
Export (goods and services)	108.4	126.4	116.7	5 105.9
Import (goods and services)	106.2	124.6	122.8	5 318.2
Foreign trade balance	-	-	-	- 211.3
Gross Domestic Product	101.3	104.6	104.9	10 087.4

Source: Central Bureau of Statistics (KSH)

Energy Use Per Unit of GDP

Year	Previous year=100.0	1980=100.0
1996	99.9	85.4
1997	93.2	79.6
1998	94.7	75.4

Source: Central Bureau of Statistics (KSH)

Distribution of Added Value as a Percentage at 1995 (Comparative) Prices

Economic Sector	1996	1997	1998
Agriculture, forestry, and fisheries	6.1	5.8	5.4
Mining	0.4	0.4	0.3
Processing industry	20.3	22.0	23.2
Electric power, gas, steam, and water supply	2.8	2.6	2.4
Construction industry	3.7	3.8	3.9
Trade and repair	9.8	9.9	10.0
Accommodation and catering	1.7	1.8	1.8
Shipping, warehousing, post, and telecommunications	8.0	8.4	8.3
Financial activities	4.5	4.1	3.7
Real estate transactions and economic services	13.4	12.4	12.5

Administration, security; compulsory social security	6.3	6.1	6.2
Education	4.5	4.5	4.4
Health care and social services	4.1	4.2	4.0
Other communal and personal services	2.9	2.7	2.5
Non-divided fee for financial mediation services	-3.2	-2.8	-2.5
Balance of product taxes	14.6	14.1	13.9
Total	100.0	100.0	100.0

Source: Central Bureau of Statistics (KSH)

Added Value per Sector

Economic Sector	1996	1997	1998	1998 distribution, %
previous year=100.0 ^{a)}				
Agriculture, forestry, and fisheries	104.1	99.5	98.5	5.5
Mining	97.1	103.5	75.6	0.3
Processing industry	104.0	113.4	110.3	24.1
Electric power, gas, steam, and water supply	98.8	97.7	96.5	3.8
Construction industry	92.8	108.2	105.8	4.6
Trade and repair	99.5	106.2	105.8	11.6
Accommodation and catering	100.2	108.3	103.2	1.9
Shipping, warehousing, post, and telecommunications	103.1	109.3	103.3	9.9
Financial activities	99.7	94.8	95.1	4.1
Real estate transactions and economic services	108.2	96.4	106.0	14.9
Administration, security; social security	102.3	101.8	105.2	7.2
Education	100.0	104.5	103.8	4.7
Health care and social services	103.2	105.1	101.7	4.4
Other communal and personal services	92.5	96.9	97.4	3.0
Sectoral total	102.2	104.7	104.7	100.0
Non-divided fee for financial mediation services	82.9	92.9	90.3	-
GDP (at basic price)	103.1	105.1	105.2	-
Balance of product taxes	92.1	101.4	103.1	-
GDP (at market purchase prices)	101.3	104.6	104.9	-

^{a)} At comparative prices.

Source: Central Bureau of Statistics (KSH)

Hierarchy of Basic Energy Carrier Production (% based on caloric value)

Energy Carriers	1997	1998	1999
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Coal	26.4	26.1	26.7
Hydrocarbons	42.6	41.1	39.0
Of which:			
Natural Gas	26.9	25.4	23.4
Petroleum ^{a)}	15.7	15.7	15.6
Nuclear	26.7	28.5	29.7
Hydroelectric	0.4	0.3	0.4
Firewood ^{b)}	3.9	4.0	4.2
Total	100.0	100.0	100.0

^{a)} Including propane gas and gasoline. ^{b)} Firewood as well as other energy carriers. Source: KSH (Central Bureau of Statistics)

Composition of Energy Carrier Sources, Production and Imports Combined (%, based on Caloric Value)

Energia Carriers	1997	1998	1999
Coal	15.0	13.9	14.2
Hydrocarbons	69.0	71.5	70.4
Natural Gas	35.9	36.6	37.3
Petroleum ^{a)}	33.1	34.9	33.1
Nuclear Power	12.1	12.1	12.6
Imported Electric Power	1.9	0.6	0.9
Other Carriers ^{b)}	2.0	1.9	1.9
Total	100.0	100.0	100.0

^{a)} Including propane gas and gasoline.

^{b)} Firewood, charcoal, hydroelectric power, coke oven gas, etc.

Source: Central Bureau of Statistics (KSH)

Energy Use by Economic Sectors (based on Caloric Value)

Economic Sector	1997	1998	1999	1999 distribution, %
previous year=100. ⁰				
Industry	97.6	100.8	99.3	34.4
Construction industry	75.7	104.0	102.4	0.8
Agriculture, forestry and fisheries	97.1	101.2	100.2	4.0
Shipping, warehousing, post, and telecommunications	2.9	100.0	100.2	4.7
Retail	98.0	98.6	99.1	37.4
Communal and other consumers	98.5	97.4	100.5	18.7
National Economy Total	97.5	99.3	99.5	100.0

Source: Central Bureau of Statistics (KSH)

Distribution of Added Value by Owner's Subsectors, %

	Communal	Foreign	Domestic private	Total
1996 ^{a)}	30.2	15.9	53.9	100.0
1997 ^{a)}	28.7	19.3	52.0	100.0
1998 ^{a)}	30.4	19.4	50.2	100.0
More specifically: Agriculture, forestry, and fisheries	10.1	2.7	87.2	100.0
Mining	5.9	32.7	61.4	100.0
Processing industry	10.6	49.1	40.3	100.0
Electric power, gas, steam, and water supply	88.7	2.4	8.9	100.0
Construction industry	2.2	10.8	87.0	100.0
Trade and repair	0.5	26.6	72.9	100.0
Accommodation and catering	15.7	13.3	71.0	100.0
Shipping, warehousing, post, and telecommunications	60.7	8.2	31.1	100.0
Financial activities	no data	no data	no data	no data
Real estate transactions and economic services	4.8	11.0	84.2	100.0
Administration and security; compulsory social security	100.0	0.0	0.0	100.0
Education	87.2	0.2	12.6	100.0
Health care and social services	72.3	1.0	26.7	100.0
Other communal and personal services	32.7	3.6	63.7	100.0

^{a)}Excludes financial activities.

Source: Central Bureau of Statistics (KSH)

Industrial production index by sectoral groups (at comparative prices)

Sectoral branch	1992	1993	1994	1995	1996
previous year=100.0					
Mining industry	82.1	92.0	82.7	86.7	102.4
Processing industry	91.8	103.3	109.3	105.0	103.5
Manufacture of foods, drinks and tobacco.products	96.0	95.8	105.5	101.6	100.1
Manufacture of textile, clothing, leather and fur prod.	84.8	102.5	104.2	95.2	96.3
Manufacture of wood, paper and printed products and publishing activities	10.63	107.6	103.3	103.5	94.5
Chemical Ind.	92.9	100.8	105.9	98.8	97.2
Manufacture of non-metallic prod.	97.7	110.7	103.8	101.7	101.0
Smelting and metal processing	81.3	114.0	119.8	105.5	97.4

Engineering ind.	89.1	110.3	120.1	121.01	123.5
Manufacture of other processing industry prod.	89.2	106.7	96.4	100.7	92.2
Utilities	85.7	97.8	101.7	101.8	104.9
Industries in total including small enterprises	90.3	104.0	109.6	104.6	103.4

Industrial structure by sectoral groups (%)

Sectoral group	Production at 1996 prices			Employees
1985	1990	1996		
Mining ind.	2.0	1.8	1.1	2.1
Processing ind.	88.0	86.1	86.7	86.6
Manufacture of foods, drinks and tobacco prod.	20.2	21.7	22.4	16.8
Manufacture of textiles, clothing, leather and fur prod.	8.2	6.4	4.4	15.7
Manufacture of wood, paper and printed prod. and publishing	3.8	4.7	5.3	6.4
Chemical ind.	21.2	21.7	18.6	10.6
Manufacture of precious metals and mineral prod.	3.3	3.5	3.1	4.0
Smelting and metal proc.	11.8	10.5	9.5	9.4
Engineering ind.	1.7	15.9	22.2	20.8
Manufacture of other processing industry prod.	1.8	1.7	1.2	2.9
Utilities	10.0	12.1	12.2	11.3
Total	100.0	100.0	100.0	100.0

Price indices of industrial production

Year	Previous year=100%	1949=100%	Year	Previous year=100%	1949=100%	Year	Previous year=100%	1949=100%
1949	-	100.0	1961	98.4	225.3	1973	103.0	249.0
1950	102.5	102.5	1962	99.6	224.4	1974	103.3	257.3
1951	103.3	105.9	1963	99.3	22.8	1975	110.6	284.6
1952	134.9	142.8	1964	99.5	221.7	1976	104.6	297.7
1953	101.2	144.5	1965	94.7	209.9	1977	102.0	303.7
1954	100.8	145.6	1966	100.9	211.8	1978	103.7	314.9
1955	99.4	144.7	1967	100.0	211.8	1979	102.2	321.9
1956	100.2	145.0	1968	105.8	224.3	1980	115.3	371.1
1957	101.3	146.9	1969	101.8	228.3	1981	106.3	394.5

Employed	5 084.1	4 912.5	4 454.5	4 089.9	3 881.4	3 793.2
Unemployed ^{a)}	24.2	100.5	406.1	663.0	632.1	519.6
Economically active population	5 108.3	5 013.0	4 860.6	4 752.9	4 513.9	4 312.8
Employed abroad	3.6	15.0	30.0	28.0	27.0	25.0
Of working-age (men 15-59 years, women 15-54 years) economically non-active population	1 333.3	1 404.0	1 475.0	1 529.1	1 730.8	1 913.6
Of which: students	531.6	566.2	590.2	595.0	615.9	625.5
retired	263.8	304.7	366.4	419.0	437.7	461.0
Total	6 445.2	6 432.0	6 365.6	6 310.0	6 271.7	6 251.4

*According to system of definitions valid from 1998.

^{a)}Figures for registered unemployed (OMMK).

Source: Account of Labor Force within the National Economy.

Employment Indices (%)

	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998
Proportion of active earners in the population	46.2	44.8	43.7	40.3	37.5	36.0	35.5	35.4	35.5	35.9
Proportion of active earners in the male population	-	50.8	49.2	45.2	42.1	40.8	40.9	41.5	41.7	42.1
Proportion of active earners in the female population	-	39.4	38.7	35.8	33.3	31.6	30.5	29.8	29.8	30.2
Unemployment index	0.3	0.5	2.0	8.4	13.9	14.0	12.0	11.7	11.4	11.0
15-59: active earner	-	81.4	78.2	71.3	66.0	63.6	63.5	64.0	64.0	64.4
unemployed ^{a)}	-	0.5	2.0	7.6	12.4	11.9	9.6	9.0	8.7	8.3
retired	-	5.7	6.4	7.5	8.5	8.7	9.0	9.4	9.6	9.6
maternity leave	-	0.04	0.04	0.05	0.05	0.07	0.2	0.15	0.06	0.03
dependent student	-	8.9	9.3	9.6	9.6	9.7	9.9	10.1	10.7	10.7
dependent non-student	-	3.5	4.1	4.0	3.5	6.0	7.8	7.4	6.9	7.0
Of women aged 15-54:										
active earner	-	74.5	72.6	66.5	61.5	58.1	55.8	54.5	53.2	53.7
unemployed ^{a)}	-	0.4	1.4	5.8	9.4	8.8	7.4	7.2	6.8	6.8
retired	-	3.0	3.6	4.5	5.2	5.6	6.1	6.3	6.7	7.0
on maternity leave	-	8.5	8.7	9.0	9.0	8.7	8.5	7.8	8.2	8.0
on maternity allowance	-	-	-	-	-	0.8	1.1	1.5	1.6	1.8
dependent student	-	9.0	9.6	10.0	10.0	10.6	10.6	10.9	11.3	11.4
dependent non-student	-	4.6	4.1	4.2	4.9	7.4	10.5	11.8	12.2	11.3

^{a)} Figure for registered unemployed (OMMK).

Source: Central Bureau of Statistics (KSH).

Number of Employed by Economic Sectors, Annual Average (thousand)

Economic Sector	1993	1994	1995	1996	1997	1998	1999	Ebf
Agriculture, forestry, and fisheries	349.4	327.6	295.1	302.4	287.9	278.8	270.4	
Mining	42.2	39.2	34.0	32.8	27.2	25.7	24.4	
Processing industry	937.8	888.8	850.2	850.8	864.1	912.1	928.9	
Electric power, gas, steam, and water supply	105.1	108.3	96.6	88.8	97.4	96.5	89.8	
Industry	-	-	-	-	-	-	1 043.1	
Construction industry	207.1	201.0	217.3	217.7	219.2	230.0	253.0	
Trade and repair	469.5	467.4	459.9	486.9	496.8	472.2	517.5	
Accommodation and catering	110.4	110.6	116.6	114.1	120.9	121.6	133.2	
Shipping, warehousing, post, and telecommunications	336.3	314.5	319.6	321.2	310.0	301.9	308.3	
Financial activities and auxiliary services	72.6	72.9	82.2	83.3	83.3	81.8	80.9	
Real estate transactions, leasing, and services aiding economic activities	137.6	125.6	130.6	128.2	146.3	163.0	183.9	
Administration and compulsory social security	299.5	320.2	318.1	306.6	293.8	294.3	301.9	
Education	342.8	338.6	335.4	319.6	296.9	305.5	306.9	
Health and social services	241.6	239.0	231.4	225.6	232.1	237.8	239.2	
Other communal, social, and personal services	173.9	197.2	191.3	169.7	170.3	176.5	173.2	
National Economy Total	3 827.3	3 751.5	3 678.8	3 648.1	3 646.3	3 697.7	3 811.5	

Source: Central Bureau of Statistics (KSH) Labor Survey.

Number of Employed* by Nature of Employment (thousand)

Nature of Employment	1992	1993	1994	1995	1996	1997	1998	
Employee	3 203.4	3 087.6	3 045.2	2 978.9	2 691.2	2 989.7	3 088.5	
Cooperative member	225.0	134.1	103.3	84.2	79.0	68.9	55.8	
Member of partnership	257.9	197.1	174.7	167.9	151.8	137.4	132.5	
Individual entrepreneur	290.1	309.1	328.9	351.7	372.2	373.3	369.1	
Assisting family member	49.3	42.4	40.4	40.1	40.9	41.0	28.8	
Total	4 025.7	3 770.3	3 692.5	3 622.8	3 605.1	3 610.3	3 674.7	
Of employees and cooperative members:								
Skilled workers	1 070.4	1 041.2	1 043.7	1 043.7	991.4	1 004.5	986.1	
Trained workers	736.9	667.2	646.3	646.3	524.8	533.5	599.9	
Unskilled workers	317.1	259.9	240.8	240.8	303.3	293.6	296.3	

White-collar workers	1 304.0	1 253.4	1 217.7	1 217.7	1 220.7	1 226.9	1 262.0
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* Excluding those receiving child-care pay and aid, and those on military service. Source: Central Bureau of Statistics (KSH) Labor Survey and Communal Data.

Distribution of the Employed by Nature of Employment*

Nature of Employment	1992	1993	1994	1995	1996	1997	1998	1999
Employee	79.6	81.9	82.5	82.2	82.1	82.8	84.0	84.4
Cooperative member	5.6	3.6	2.8	2.3	2.2	1.9	1.5	1.1
Member of partnership	6.4	5.2	4.7	4.6	4.2	3.8	3.6	2.9
Individual entrepreneur	7.2	8.2	8.9	9.7	10.3	10.3	10.0	10.8
Assisting family member	1.2	1.1	1.1	1.1	1.1	1.1	0.9	0.7
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

* Excluding those receiving child-care pay and aid, and those on military service.
Source: Central Bureau of Statistics (KSH).

Economic Activity of Population Aged 15 to 74, Thousand Persons

	1992	1993	1994	1995	1996	1997	1998	1999
Employed	4 082.7	3 827.3	3 751.5	3 678.8	3 648.1	3 646.3	3 697.7	3 811.5
Unemployed	444.2	518.9	451.2	416.5	400.1	348.8	313.0	284.7
Economically Active	4 526.9	4 346.2	4 202.7	4 095.3	4 048.2	3 995.1	4 010.7	4 096.2
Economically Non-active	3 202.0	3 417.1	3 576.9	3 724.4	3 759.8	3 804.9	3 745.1	3 620.3
Of which Passive								
Unemployed	153.0	116.5	107.9	106.7	101.8	94.7	110.4	109.7
Unemployment Rate, %	9.8	11.9	10.7	10.2	9.9	8.7	7.8	7.9
Total (Population)	7 728.9	7 763.3	7 779.6	7 819.7	7 808.0	7 800.0	7 755.8	7 717.5

Source: KSH Workforce Survey, Population Data.

Distribution of Employees Aged 15 to 74 by Key Sectors of the National Economy (%)

Economic Sector	Lifestyle & Schedule Survey, 1999 Period 1
Agriculture, Wildlife & Forestry Management, and Fisheries	8.4
Industry	29.9
Services	61.7
Total	100.0

Source: Central Bureau of Statistics Lifestyle and Schedule Survey

Distribution of Employees Aged 15 to 74 by Education Level (%)

Highest Education	Lifestyle & Schedule Survey, 1999 Period 1
Elementary and lower	15.1
Skilled Worker Training or Trade School	31.9

High School	11.9
Vocational School or Polytechnic	23.0
College	10.9
University	7.2
Total	100.0

Source: Central Bureau of Statistics Lifestyle and Schedule Survey

Time Devoted to Watching Television by Population Aged 15 to 74 on an Average Autumn Day, Categorized by Social Features (Minutes)

Social Features	Men		Women	
	1986	1999	1986	1999
<i>Economic Activity</i>				
Employed	100	135	86	118
Unemployed	-	203	-	172
Retired	136	222	120	204
On Maternity Leave	-	-	98	120
Homemaker	-	-	109	179
Student	92	115	85	118
Total	106	160	97	151
Percentage of Free Time Devoted to Watching Television	45.5	58.2	48.0	62.9
<i>Community Type</i>				
Budapest	111	155	105	156
County Seat	109	165	102	149
Other City	105	159	100	150
Town	103	161	89	151
<i>Age Group. Years</i>				
15-19	89	121	83	128
20-29	89	134	86	128
30-39	108	145	90	120
40-49	104	162	89	135
50-59	112	179	105	170
60-74	130	209	119	203
<i>Education Level</i>				
Elementary school and lower	101	154	87	121
Vocational Training Institute or Trade School	97	143	86	125
High School	100	127	88	124
Higher Education	105	117	80	98
Days Worked	77	111	63	98

Days Not Worked	144	189	126	160
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**Time Devoted to Reading by Population Aged 15 to 74 on an Average Autumn Day,
Categorized by Social Features (Minutes)**

Social Features	Men		Women	
	1986	1999	1986	1999
<i>Economic Activity</i>				
Employed	33	21	25	18
Unemployed	-	26	-	19
Retired	50	39	41	29
On Maternity Leave	-	-	22	-10
Homemaker	-	-	22	16
Student	38	17	34	19
Total	37	25	29	21
Percentage of free time devoted to reading	15.9	9.1	14.4	8.8
<i>Community Type</i>				
Budapest	46	37	41	29
County Seat	42	29	32	26
Other City	38	22	30	19
Town	31	20	21	16
<i>Age Group, Years</i>				
15 to 19	39	13	33	17
20 to 29	30	19	30	17
30 to 39	34	19	24	15
40 to 49	35	24	22	20
50 to 59	40	32	30	25
60 to 74	48	42	37	29
<i>Education Level</i>				
Elementary and lower	27	14	18	9
Skilled Worker Training or Trade School	32	16	26	14
Hig School Graduate	39	21	31	18
Higher Education Graduate	51	39	39	29
Days Worked	77	29	17	19
Days Non-worked	41	29	34	29

Activity of the Population, as of 1 January (thousand people)

Year	Labor Resource Of which:		Economically Active Population Of which:				
Total	Working-age Population	Economically active population beyond working-age	Pensioners employed beyond working-age	Total	Active earners	Employed pensioners	Em
1980	6 746.4	6 175.0	571.4	396.0	5 469.6	5 073.6	
1981	6 709.4	6 140.2	569.2	432.0	5 446.5	5 014.5	
1982	6 651.8	6 107.1	544.3	435.0	5 436.9	5 001.9	
1983	6 617.3	6 083.2	534.1	443.0	5 413.1	4 970.1	
1984	6 610.1	6 070.5	539.6	452.0	5 392.0	4 940.0	
1985	6 593.6	6 056.0	537.6	460.0	5 372.9	4 912.9	
1986	6 569.6	6 028.4	541.2	468.0	5 360.5	4 892.5	
1987	6 547.8	5 999.4	548.4	479.0	5 370.6	4 885.2	
1988	6 528.7	5 988.1	540.6	473.0	5 284.0	4 800.1	
1989	6 473.4	5 968.7	504.7	441.3	5 215.7	4 760.2	
1990	6 445.2	5 956.8	488.4	432.0	5 108.3	4 652.1	
1991	6 432.0	5 997.4	434.6	383.6	5 013.0	4 528.9	
1992	6 365.6	6 031.4	334.2	292.3	4 860.6	4 162.2	
1993	6 310.0	6 056.5	253.5	223.0	4 752.9	3 866.9	
1994	6 271.7	6 071.6	200.1	181.1	4 513.9	3 700.7	
1995	6 251.4	6 082.0	169.4	156.8	4 312.8	3 636.4	
1996	6 214.8	6 080.7	134.1	128.7	4 239.6	3 615.0	
1997	6 253.2	6 144.8	108.4	116.6	4 205.5	3 611.4	
1998	6 238.1	6 136.9	101.2	112.2	4 211.0	3 634.8	
1999	6 189.8	6 116.9	72.9	108.7	4 203.0	3 690.2	

a) Males 60 years of age and over, and females 55 years of age and over.

b) Figure for the registered unemployed (OMKMK).

Source: National Economy Labor Survey.

Number of Unemployed by Time Spent Seeking Job* (thousands)

Time Spent Seeking Job	1992	1993	1994	1995	1996	1997	1998	1999
Less than one month	43.9	36.2	30.5	23.0	19.9	16.1	12.9	14.9
1-3 months	90.9	74.8	56.5	51.0	46.4	43.7	44.2	43.6
4-6 months	96.4	87.9	65.0	56.5	49.3	45.9	44.5	38.7
7-11 months	110.7	120.5	91.9	69.4	61.5	54.4	45.7	45.7
12 months	10.6	14.7	8.4	20.2	18.2	15.7	16.0	13.2

13-18 months	41.7	75.1	63.0	57.2	56.1	44.5	39.0	38.1
19 months and more	38.4	83.7	114.2	127.5	137.3	108.4	91.1	89.0
Total	432.6	492.9	429.5	404.8	388.7	328.7	293.4	283.1

*Excluding of those starting to work new jobs within 30 days.

Source: Central Bureau of Statistics (KSH) Labor Survey.

Registered unemployed by counties

Description	Registered Unemployed		Number of those receiving support thousand persons)	Avg. duration of support (day/person)	Average aid (HUF /person /month)	Number receiving support
proportion ^{na)}	number (thousand persons)					
1992	12.7	663.0	477.0	270	8 828	
1993	12.6	632.1	326.6	245	9 949	
1994	10.9	519.6	191.6	180	11 237	
1995	11.5	495.9	198.9	205	11 730	
1996	11.3	477.5	139.4	248	13 461	
1997	11.0	464.0	136.7	273	16 141	
1998	9.6	404.1	141.6	306	18 895	
1999	9.6	404.5	150.4	310	22 406	
Of which: Budapest	3.3	27.2	13.7	259	24 001	
Bács-Kiskun County	10.1	22.8	9.5	317	21 496	
Baranya County	11.6	19.2	6.4	309	22 180	
Békés County	13.2	21.5	7.9	354	21 620	
Borsod-Abaúj-Zemplén County	19.8	56.0	13.9	335	21 894	
Csongrád County	8.5	15.8	6.4	292	22 567	
Fejér County	7.9	14.5	6.5	297	23 496	
Győr-Moson-Sopron County	4.6	8.9	5.2	270	23 453	
Hajdú-Bihar County	15.7	33.0	10.1	306	22 028	
Heves County	12.1	15.3	5.2	331	22 141	
Jász-Nagykun-Szolnok County	13.2	21.7	7.4	319	21 915	
Komárom-Esztergom County	9.4	12.0	4.8	319	23 372	
Nógrád County	15.6	13.3	4.1	361	21 735	

Pest County	5.4	22.9	12.5	268	23 138	
Somogy County	12.5	16.5	6.0	300	21 871	
Szabolcs-Szatmár-Bereg County	19.4	40.2	10.4	358	21 060	
Tolna County	12.8	12.8	4.8	312	22 206	
Vas County	5.8	7.6	3.9	287	23 259	
Veszprém County	8.1	13.1	6.4	320	22 618	
Zala County	7.8	10.4	5.3	303	21 751	

a)The number of registered unemployed relative to the economically active population as of 1 January of the given year.

Source: Figure from the National Labor Methodology Center (OMMK).

Number of Unemployed by Highest Education Level (thousand persons)

Highest Education Level	1992	1993	1994	1995	1996	1997	1998
Has not completed elementary school	30.2	30.1	20.2	16.9	19.6	15.4	14.2
Elementary school	166.2	186.1	160.6	145.3	131.7	127.4	108.2
Vocational school	134.7	169.3	153.1	147.8	140.5	120.2	102.2
Trade school	6.7	5.5	5.0	5.0	5.7	4.6	4.2
High school	37.1	42.3	35.1	32.8	34.6	30.4	30.2
Vocational high school	53.4	68.0	60.1	51.7	51.5	40.9	40.2
College	9.5	12.4	12.3	12.5	10.7	7.0	7.2
University	6.4	5.2	4.8	4.5	5.8	2.9	3.2
Total	444.2	518.9	451.2	416.5	400.1	348.8	313.2
Of which: Have blue-collar qualifications	214.3	265.7	238.2	216.0	207.4		

a)The figures cannot be compared due to a change in methodology.

Source: Central Bureau of Statistics Labor Survey, Population Data Collection.

Final number of persons receiving unemployment subsidy by duration of subsidy, as at 20 Dec.1996 (pers.)

Duration (days)	Persons	%
-60	20,538	14.7
61-120	21,592	15.4
121-180	21,628	15.5
181-240	19,216	13.8
241-300	17,766	12.7
301-330	7,890	5.7
331 days and more	30,778	22.1
Total	139,408	100.0

Final number of persons receiving unemployment subsidy by monthly gross subsidy size groups (20 Nov.-20 Dec. 1996)

HUF/month/person	Persons	%
-4,000	115	0.1
4,001-5,000	99	0.1
5,001-6,000	195	0.1
6,001-7,000	456	0.3
7,001-8,000	3,535	2.1
8,001-9,000	21,621	12.8
9,001-10,000	10,872	6.5
10,001-12,000	22,933	13.6
12,001-14,000	18,657	11.1
14,001-16,000	58,715	34.8
16,000-	31,338	18.6
Total	168,536	100.0

Consumers shopping basket in Eastern Europe and Austria in Dec.1966: How much does a person of gross avg. income work for each product and service?

Products and..	Czech.	Poland	Hungary	Russia	Romania	Slovakia	Austria
Milk, 1 liter	13'27"	16'14"	13'30"	1 h 22"	21'45"	20'50"	3'23"
Bread, 1 kg	19'	11'	19'14"	2h 16"	51'11"	21'12"	7'58"
Rolls,1 p	1'54"	1'48"	1'50"	13'42"	6'23"	2'29"	51'11"
Potatoes, 1 kg	7'	3'	5'32"	1 h 2'	25'35"	7'29"	2'9"
Butter, 25 dkg	29"	22"	27'32"	2h 29"	1 h 4'	33'40"	3'23"
Coffee, 25 dkg	1 h 18'	50'	1 h 22'	9h 31'	5h 32'	1 h 40'	9'15"
Beef (leg); 1 kg	2h 35'	1 h 57'	2h 27'	11 h 25'	3h 11'	3h 7'	27'43"
Pork (chops), 1 kg	2h 21'	2h 14'	2h 13'	18h 51'	5h 58'	3h 32'	23'24"
Lunch in restaurant	3h 10'	4h 30'	2h 25'	76h 11'	3h 37'	3h 44'	1 h 18'
Marlboro, 1 box	- 42'	32'	43'	1 h 54'	3h 11'	40'	13'11"
Beer, 1 bottle	11'	20'	12'	1 h 8'	38'	12'	2'25"
Dress	67h 27'	33h 4'	59h 36'	152h 23'	58h 11'	64h 41"	11 h 1'
Suit	78h 26'	57h 3'	74h 50'	228h 34'	82h 31'	97h 42'	20h 32'
Shoes	31 h 44'	1 0h 31'	21 h 27'	57h 8'	29h 51'	24h 56'	5h 8'
Electricity, 1 kWh	2'22"	5'35"	2'24"	4'6"	1'10'	1'5"	33'11"
Gas, m3	4'18"	1'48"	4'26"	2'44"	43" 3'	44"	1'50"
Building brick, 1 p	6'16"	2'16"	5'54"	34'17"	8'11"	9'51"	1'18"

Cement, 1 q	5h 18'	2h 24'	3h 49'	22h 51'	15h 21'	3h 43'	45'53"
Gasoline 1 l	21'17"	14'58"	27'26"	50'17"	25'20"	27'56"	3'23"
Postage stamp	4'2"	3'36"	4'56"	13'43"	3'5"	3'44"	1'50"
Phone call (local, 3 min.)	2'14" -	1'26"	32'52"	34"	2'33"	1'14"	44"
Bus-ticket (local)	11'12"	9'1"	9'14"	34"	10'14"	8'44"	5'14"
Dry cleaning (suit)	2h 34'	2h 34'	2h 21'	19h 24'	3h 50' -	1 h 5'	55'
Rail ticket, 100 km	45'	1 h 30'	2h 54'	1 h 54'	1 h 9'	55'	5'
Gas fitting	3h 41'	4h 30"	4h 6"	9h 31"	4h 16'	2h 42'	3h 25'
Total	206h	121 h	184h	622h	226h	208h	46h

Nominal and Real Income

Year	Monthly avg. wage or salary (HUF)	Workers and Employee ^{sa}	Real wage or average salary per earner ^r	Real income per capita	Population consumption
Nominal avg. salary per capita previous year=100.0					
1956	1 235	110.5	111.6	106	107.7
1957	1 442	121.0	118.2	107	107.7
1958	1 478	104.4	104.1	102	103.3
1959	1 540	104.0	105.4	111	106.3
1960	1 575	102.7	102.0	105	106.3
1961	1 599	101.2	100.2	100.8	101.1
1962	1 638	102.0	101.5	103.9	103.3
1963	1 702	103.8	104.5	105.9	104.3
1964	1 757	103.1	102.6	105.8	105.3
1965	1 766	101.1	100.0	100.7	101.1
1966	1 856	104.0	102.2	105.1	104.3
1967	1 915	104.3	103.7	106.4	106.3
1968	1 928	102.3	102.3	106.3	104.3
1969	2 012	105.9	104.5	105.9	105.3
1970	2 222	106.1	104.7	107.3	107.3
1971	2 325	104.6	102.3	104.2	105.3
1972	2 450	105.1	102.2	103.3	103.3
1973	2 629	106.3	102.8	104.7	104.3
1974	2 831	107.4	105.6	106.2	105.3
1975	3 018	107.7	103.8	104.4	104.8 ^d
1976	3 174	105.1	100.1	100.9	102.3

1977	3 413	107.8	103.8	104.9	104.9
1978	3 687	107.8	103.1	102.9	103.1
1979	3 877	107.0	98.3	99.8	102.0
1980	4 098	107.4	98.4	100.4	100.4
1981	4 364	105.8	101.1	103.0	102.0
1982	4 651	106.1	99.3	101.0	101.0
1983	4 862	104.0	96.8	101.2	100.0
1984	5 452	105.6	97.6	101.2	101.0
1985	5 961	108.3	101.3	102.1	101.0
1986	6 435	107.4	101.9	102.6	101.0
1987	6 987	108.1	99.6	101.0	103.0
1988	8 968	110.1	95.1	99.0	99.0
1989	10 571	118.2	100.9	103.4	105.0
1990	13 446	121.6	94.3	98.2	94.0
1991	17 934	125.5	93.0	98.3	91.0
1992	22 294	121.3	91.7	96.5	100.0
1993	27 173	117.7	88.1	95.3	102.0
1994	33 309	127.3	94.4	102.7	100.0
1995	38 900 ^{b)}	112.6	82.9	94.7	93.0
1996	46 837 ^{b)}	117.4 ^{c)}	78.8	99.5	97.0
1997	57 270 ^{b)}	124.1 ^{c)}	82.7	101.1	101.0
1998	67 764 ^{b)}	118.4 ^{c)}	85.7	103.8	104.0
1999	77 187 ^{b)}	112.7 ^{c)}	-	-	-

Note: Monthly avg. wage or salary: gross avg. wage up to 1969, gross avg. salary as of 1970, and gross avg. salary including income tax as of 1988 in respect of full-time employees.

^{a)}Including agricultural cooperatives as of 1991.

^{b)} Figures for economic cooperatives employing over ten employees.

^{c)} Figures calculated in consideration of social security contribution threshold.

^{d)} Consumption of households resident from 1975.

Source: Central Bureau of Statistics (KSH).

Consumer price indices

Year	Previous year=100%	1951=100%	Year	Previous year=100%	1951=100%
1951	-	100.0	1974	101.8	150.1
1952	137.7	137.7	1975	103.8	164.1
1953	101.0	139.1	1976	105.0	209.0
1951	-	100.0	1974	101.8	150.1

1952	137.7	137.7	1975	103.8	164.1
1953	101.0	139.1	1976	105.0	209.0
1954	95.0	132.1	1977	103.9	217.2
1955	99.0	130.8	1978	104.6	224.5
1956	99.0	129.5	1979	108.9	244.5
1957	103.0	133.4	1980	109.1	266.7
1958	101.0	134.7	1981	104.6	278.9
1959	99.0	133.3	1982	106.9	298.2
1960	101.0	134.7	1983	107.3	318.8
1961	100.9	135.9	1984	108.3	345.3
1962	100.5	136.6	1985	107.0	369.4
1963	99.4	135.8	1986	105.3	388.9
1964	100.4	136.3	1987	108.6	422.4
1965	100.7	137.2	1988	115.5	487.9
1966	101.2	138.9	1989	117.0	570.8
1967	100.4	139.5	1990	128.9	735.8
1968	99.7	139.0	1991	135.0	993.3
1969	101.4	141.4	1992	123.0	1,221.8
1970	101.3	143.3	1993	122.5	1,496.7
1971	102.0	146.2	1994	118.8	1,778.1
1972	102.9	150.4	1995	128.2	2,279.5
1973	103.3	155.3	1996	123.6	2,817.5

Monthly Minimum of Subsistence for the Most Frequent Household Types, HUF

Household Types Minimum of Subsistence (HUF/month)	1994	1995	1996	1997	1998	1999
<i>Per Household in</i>						
<i>Active households</i>						
1 active-age adult	13 496	16 435	19 425	23 709	26 603	29 360
1 active-age adult with single child	22 268	27 118	32 051	39 120	43 895	48 444
1 active-age adult with 2 children	29 016	35 335	41 764	50 974	57 196	63 124
2 active-age adults	23 618	28 761	33 994	41 491	46 555	51 380
2 active-age adults with single child	32 390	39 444	46 620	56 902	63 847	70 464
2 active-age adults with 2 children	39 138	47 662	56 333	68 756	77 149	85 144
2 active-age adults with 3 children	44 537	54 236	64 103	78 240	87 790	96 888
2 active-age adults with 4 children	49 935	60 810	71 873	87 723	98 431	108 632

3 active-age adult	33 740	41 088	48 563	59 273	66 508	73 400
3 active-age adult with single child	42 512	51 770	61 189	74 683	83 799	92 484
3 active-age adult with 2 children	49 260	59 988	70 901	86 538	97 101	107 164
3 active-age adult with 3 children	54 659	66 562	78 671	96 201	107 742	118 908
3 active-age adult with 4 children	60 057	73 136	86 441	105 505	118 383	130 652
Pensioner households						
1 person	12 146	14 792	17 483	21 338	23 943	26 424
2 persons	20 919	25 474	30 109	36 749	41 235	45 508
3 persons	29 691	36 157	42 735	52 160	58 527	64 592
<i>Per capita</i>						
Active households						
1 active-age adult	13 496	16 435	19 425	23 709	26 603	29 360
1 active-age adult with single child	11 134	13 559	16 026	19 560	21 947	24 222
1 active-age adult with 2 children	9 672	11 778	13 921	16 991	19 065	21 041
2 active-age adults	11 809	14 381	16 997	20 745	23 278	25 690
2 active-age adults with single child	10 797	13 148	15 540	18 967	21 282	23 488
2 active-age adults with 2 children	9 785	11 915	14 083	17 189	19 287	21 286
2 active-age adults with 3 children	8 907	10 847	12 821	15 648	17 558	19 378
2 active-age adults with 4 children	8 323	10 135	11 979	14 621	16 405	18 105
3 active-age adult	11 247	13 696	16 188	19 758	22 169	24 467
3 active-age adult with single child	10 628	12 943	15 297	18 671	20 950	23 121
3 active-age adult with 2 children	9 852	11 998	14 180	17 308	19 420	21 433
3 active-age adult with 3 children	9 110	11 094	13 112	16 004	17 957	19 818
3 active-age adult with 4 children	8 580	10 448	12 349	15 072	16 912	18 665
Pensioner households						
1 person	12 146	14 792	17 483	21 338	23 943	26 424
2 persons	10 459	12 737	15 055	18 374	20 617	22 754
3 persons	9 897	12 052	14 245	17 387	19 509	21 531

Source: Central Bureau of Statistics (KSH)

The Population's Income Indices

	1989	1990	1991	1992	1993	1994	1995	1996
Per capital GDP, 1980=100	116	112	99	96	95	98	104	106
Per capital real income, 1980=100	115	113	111	108	103	107	100	100
Real wage index, 1980=100	94	90	84	83	79	85	75	71
Real value of pecuniary social benefits, per capita, 1980=100	140	137	139	135	133	132	128	113

Real value of average pension, 1980=100 (as of 1 January)	109	106	99	93	87	92	83	94
Share of lower decile in all personal income, %	4.5 ^{a)}	-	-	3.6	3.8	3.3	3.6	4.0
Share of upper decile in all personal income, %	20.9 ^{a)}	-	-	24.3	23.9	24.7	26.1	20.6

^{a)} 1987 figure.

Source: Central Bureau of Statistics (KSH).

Structure of the Annual Per Capita Expenditures of All Households, %

	1994	1995	1996	1997	1998
Food	34.0	34.5	33.1	33.3	33.1
Luxury goods	6.2	5.8	5.6	5.5	5.8
Clothing	7.2	6.1	6.0	5.9	6.1
Home maintenance	14.3	16.3	17.9	18.6	17.9
Household and home equipment	5.6	5.1	4.6	4.5	4.9
Furniture	0.7	0.5	0.5	0.4	0.5
Appliances and equipment	1.7	1.5	1.2	4.1	1.4
Hygiene and cosmetics	4.0	4.4	4.8	4.8	4.9
Transportation and communications	12.7	11.8	12.4	13.0	12.8
Vehicles	2.7	1.8	1.5	1.6	1.7
Vehicle maintenance	6.7	6.3	6.5	6.1	5.4
Culture, holidays, and leisure	6.0	6.2	6.4	5.8	6.2
Valuable cultural items	0.7	0.8	0.7	0.7	0.9
Holidays	1.0	1.2	1.3	1.2	1.3
Other personal expenditures	3.1	3.0	3.4	3.3	4.0
Home-building and real estate purchase	6.9	6.9	5.8	5.3	4.2
Total personal expenditures	100.0	100.0	100.0	100.0	100.0
Annual personal expenditures per capita, HUF	163 919	194 764	227 306	262 734	306 586

Source: Central Bureau of Statistics (KSH).

Sums Deemed Necessary by Households for Various Levels of Subsistence

	1996				1997				1998	
I.	II.	III.	IV.	I.	II.	III.	IV.	I.	II.	III.
<i>HUF=month/capita</i>										
Very Meager	13 503	14 150	14 943	14 892	15 820	16 899	16 717	17 156	18 274	18 935
Meager	17 105	17 994	19 031	18 894	19 981	21 270	21 418	21 836	23 206	24 083
Average	23 170	24 820	26 083	26 012	27 158	29 457	30 443	30 841	32 359	33 750
Good	32 135	34 235	35 936	36 072	37 607	41 003	43 133	43 845	45 228	47 887

Excellent	49 194	51 727	54 750	55 920	56 413	52 913	66 174	65 192	68 794	73 351
<i>Percentages</i>										
Very meager level as a percentage of average	58	57	57	57	58	57	55	56	56	56
Excellent level as a percentage of very meager	364	366	366	376	357	372	396	380	376	387

The Population's Income Expectations and CPI (1996 = 100)

	1997				1998			
I.	II.	III.	IV.	I.	II.	III.	IV.	
Population's income expectations	109	118	122	123	129	135	139	
Consumer price index	112	118	120	124	131	136	136	

Consumption Indices

	1990	1991	1992	1993	1994	1995
Total per capita consumption, 1990=100	100	91	91	92	92	87
Total per capita food consumption, 1990=100	100	97	99	96	94	87
Total per capita durables consumption, 1990=100	100	95	111	120	112	103
Foods within the population's total consumption expenditures, %	24.9	23.0	19.8	19.7	19.7	20.1
Daily per capita calorie intake, kilojoules	14 164	13 460	13 796	13 080	12 770	12 473
Daily per capita protein intake, grams	105	101	101	95	92	88
Daily per capita animal protein intake, grams	58	57	56	53	52	48
Annual per capita meat and fish consumption, kg	76	74	76	71	70	66
Annual per capita milk and dairy product consumption, kg	170	168	160	145	141	133
Annual per capita vegetable (fresh and preserved) and fruit consumption, kg	156	155	158	162	157	150

Source: Central Bureau of Statistics (KSH).

Annual Per Capita Income of Households (HUF)

Description	1993	1994	1995	1996	1997	
Income from employment ^{a)}	92 018	105 867	126 161	145 909	172 026	200 000
Entrepreneur's income ^{b)}	19 865	23 552	29 793	35 015	41 126	40 000
Pensions and pension-like emoluments ^{c)}	33 777	45 420	52 414	59 481	70 703	80 000

Family allowance ^{d)}	10 860	10 281	10 662	10 240	11 833	11 833
Child care pay, child care allowance, and alimony	2 538	3 080	3 286	4 065	4 517	4 517
Unemployment benefit	2 645	2 995	2 466	2 342	2 328	2 328
Income supplementing benefit for the unemployed ^{e)}	-	-	1 522	2 101	2 480	2 480
Other social income ^{f)}	3 322	3 481	3 479	3 774	4 783	4 783
Other income ^{g)}	2 861	2 931	3 354	3 966	4 897	4 897
Gross income	169 686	197 607	233 137	266 893	314 703	377 600
Net income	140 506	164 851	190 180	214 071	254 645	300 000

^{a)} Income received from employer for full-time work, income from intellectual products, reimbursement of expenses, extra income, and income from odd jobs. ^{b)} Income from individual and partnership enterprises, income from intellectual products, and agricultural income. ^{c)} Also includes pension supplements and old-age annuities as of 1998. ^{d)} Including orphan support. ^{e)} Figures among unemployment benefits in 1993 and 1994. ^{f)} Sick-pay, grants, regular and irregular aid, child-raising aid, home maintenance support and care fee. ^{g)} Income from using realty and chattels, annuity received under other title, other interest received, dividends, and income received in kind.

Source: Central Bureau of Statistics (KSH) Household Budget Survey.

Food Quantities Consumed by Households

Food	Annual avg. per capita consumption			1999 as
				a percentage of 1987
1987	1997	1999*		
Fresh and preserved fruit, kg	60.9	49.1	61.1	100
Fats, kg	21.3	20.3	20.9	98
Cereals, kg	111.9	110.5	109.5	98
Potatoes, kg	45.1	47.7	43.4	96
Meat and fish and their products, kg	64.6	54.8	60.1	93
Sugar, kg	21.2	18.4	19.2	91
Fresh and preserved vegetables, kg	65.7	56.0	59.9	91
Eggs, pcs.	228	192	191	83
Cheese and other products, kg	18.8	13.3	15.2	81
Milk, liters	93.0	69.0	70.3	76

* Preliminary figure.

Source: Central Bureau of Statistics (KSH) Household Budget Survey.

Annual Household Expenditures Per Capita (HUF)

Description	1993	1994	1995	1996	1997	1998
Food and alcohol-free beverages	49 641	59 365	71 574	80 104	92 667	100 000
Alcoholic beverages and tobacco products	5 848	6 620	6 814	7 896	9 276	10 000
Clothing	10 472	11 729	11 867	13 541	15 395	16 000

Household power	12 378	14 370	20 188	26 413	32 473	
Other home maintenance costs	7 392	9 034	11 735	14 186	16 503	
Household and home improvement	7 844	9 216	9 946	10 399	11 763	
Health care and hygiene	5 374	6 600	8 605	11 013	12 525	
Education, culture and holidays	8 457	9 770	12 055	14 563	15 308	
Transportation and communication	18 274	20 801	23 030	28 077	34 177	
Other costs	4 569	5 276	6 054	7 797	8 781	
Total consumption	130 249	152 781	181 869	213 989	248 868	2
Home-building, and real estate purchases	9 828	11 317	13 344	13 318	13 866	
Total personal expenditures	140 077	164 098	195 213	227 307	262 734	3

Source: Central Bureau of Statistics (KSH) Household Budget Survey

Distirbution of the population 14 years of age and over by social strata in 1995

Social stratum	%
Senior and medium-level supervisor	3.4
White-collar	5.4
Junior supervisor and foreman	2.6
Office staff	7.0
Self-employed, craftsman, trader or entrepreneur	3.5
Skilled worker	10.6
Unskilled worker	10.0
Farmer	1.9
Active pensioner	1.9
Old-age pensioner	22.6
Disabled pensioner	6.3
Widow/-er pensioner	3.3
On maternity leave	3.6
Unemployed	4.1
Homemaker	2.1
Student (over the age of 16)	7.7
Non-student or other supported person	4.1
Total	100.0

Durable Items within Households, 1998

Description	Units per 100 households	Description	Units per 100 households
Automobiles	37	Radios	102
Refrigerators	85	stereo	37
Freezers	60	Televisions	116
Refrigerator-freezers	22	color	95
Water heaters (gas or electric)	70	LP Turntables	15
Ovens	104	Tape decks	10

Microwave ovens	37	Portable radiocassette players	**
Washing machines	104	HIFI	21
Automatic washing machines	49	Video tape recorders	44
Centrifuges	55	Still cameras	53
Vacuum cleaners	89	Film cameras and projectors	1
Sewing machines	42	Video cameras	2
Motorcycles	10	Personal computers	9
Bicycles	117	Weekend homes	*

Source: Central Bureau of Statistics (KSH)

Distribution of persons living in poverty

	Proportion of persons living on less than 50% of the prevailing average income
1992	10.1
1993	10.3
1994	11.6
1995	12.4

Distribution of the population by individual income classes in 1992 and 1995

Income class	1992	1995
-40	4.8	5.7
40-50	5.3	6.7
50-60	8.4	10.3
60-75	16.9	18.9
75-90	17.2	15.7
90-110	17.8	13.7
110-125	8.9	7.0
125-150	8.0	7.8
150-200	7.9	8.2
200-	4.7	5.9

Avg. annual per capita household income by social strata, 1993-1995

Social stratum	1993	1994	1995	Per capita income as a percentage of the national avg. n=1995
Senior and medium level supervisor	162	184	211	150
White-collar	140	156	163	250

Junior supervisor and foreman	114	138	137	120
Office staff	120	118	124	32
Self-employed, craftsman, trader or entrepreneur	122	121	131	16
Skilled worker	100	96	93	49
Unskilled worker	90	88	83	46
Farmer	85	93	84	8
Old-age pensioner	96	101	95	1,04
Widow/-er pensioner	96	78	75	15
Disabled pensioner	87	80	78	29
Maternity	83	70	76	16
Unemployed	78	74	68	18
Homemaker	69	68	62	9
Other supported person	69	68	60	19
Total, age 16 and over	100	100	100	4,48

Frequency of end-of month lack of funds from 1992 to 1995

How often did one experience a lack of funds at the end of the month in the last year?	1992	1993	1994
Once a month	26.4	26.3	25.4
Once every other month	10.7	11.6	11.0
Once in every three month	10.7	11.0	9.6
Every six months	6.7	5.5	6.6
Less frequently	7.0	6.5	6.0
Never	38.5	39.0	41.1
Total, %	100.0	100.0	100.0

Distribution of families by the frequency of consumer crises from 1992-1995 (N=2002)

In how many years was this the case?	Experienced an end-of-month lack of funds once a month	Insufficient funds for food	Insufficient funds for rent and utilities	Heated less due to lack of
Never	50.2	73.0	73.3	
In one of the years	21.2	14.3	15.1	
In two of the years	13.5	5.4	5.6	
In three of the years	8.7	3.4	4.0	
In all four years	6.4	3.9	2.0	
Total, %	100.0	100.0	100.0	

Savings dynamics from 1992 to 1995 (N=1779)

How often one was able to save money	Proportion of persons with at least HUF 10,000 in savings
Never	35.1
Once	20.9
Twice	16.1
Three times	14.5
Four times	13.3
Total, %	100.0

Distribution of families by the frequency of untroubled consumption from 1992-1995 (N=2002)

	Food	Clothing	Holiday	Book, culture
Never	11.7	38.3	61.0	46.6
Once	13.5	25.5	21.8	26.9
Twice	18.9	16.9	9.8	13.1
Three times	23.1	11.6	4.6	8.5
On all four Occasions	32.8	7.7	2.8	5.0
Total, %	100.0	100.0	100.0	100.0

Trends in the average daily schedule of the population between ages 18 and 60

	Men				Women			
1963	1977	1986	1993	1963	1977	1986	1993	
1. Socially fixed time	606	551	541	474	612	593	570	507
1.1. Earning and productive activities	450	374	367	296	204	245	230	163
1.1.1. Main occupation	414	324	292	223	162	201	185	126
1.1.2. Income supplements	36	50	75	73	42	44	44	37
non-agricultural	6	4	14	4	0	2	8	2
agricultural	30	46	61	69	42	42	36	35
1.2. Household and family	96	103	103	116	384	293	285	297
1.2.1. House chores	84	89	88	99	336	262	240	252
1.2.2. Children	12	14	15	17	48	33	45	45
1.3. Transportation	60	74	71	62	24	55	55	47
2. Physiological needs	660	659	650	679	672	659	652	689
3. Free time	174	230	248	284	156	188	215	245
Total	1,140	1,440	1,440	1,440	1,440	1,440	1,440	1,440
TV	24	95	11	159	24	84	101	139
Free time without TV	150	135	137	125	132	104	114	106

Television as a percentage of free time	13.4	41.3	44.8	56.0	15.3	44.7	47.0	56,7
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Distribution of active earners by sectors (%)

Active earner groups	1963	1977	1987	1993
Agriculture	34.0	20.3	19.3	9.1
Industry and construction ind.	35.9	42.9	38.2	33.8
Services, trade and other	30.1	36.8	42.5	57.1
Self-employed (craftsman, trader, entrepreneur)	4.4	4.2	5.4	14.3

Daily Time Allotment of Population Aged 18 to 60, on an Average Autumn Day (Minutes)

Activities	1986			1999		
	men	women	both	men	women	both
I. Work and Travel						
	535	565	550	486	527	507
1. Earning and Productive Activities	357	228	290	282	188	234
1.1. Main Activity	239	152	194	202	139	170
1.2. Income Supplementation	103	63	82	67	38	52
1.2.1. Non-agricultural	17	9	13	6	3	5
1.2.2. Agricultural	87	54	70	62	34	48
2. Learning and Self-improvement	24	23	24	36	33	34
3. Household and Maintenance Work	62	206	216	71	186	130
3.1. Conventional Housework	20	192	203	28	172	102
4. Shopping & Utilization of Services	14	25	20	17	28	23
5. Caring for Children	11	31	21	14	35	25
6. Travel	68	53	60	67	57	62
II. Physiological Needs	672	673	672	678	673	675
III. Free Time	233	202	218	275	240	257
Total	1440	1440	1440	1440	1440	1440

Source: Central Bureau of Statistics Lifestyle and Schedule Survey

Daily Time Allotment of Population Aged 18 to 60 for Leisure Activities on an Average Autumn Day (Minutes)

Activities	1986			1999		
	men	women	both	men	women	both
Collective leisure time and recreation	56	49	52	52	40	46
Practice of religion and organizational activities	1	3	2	2	3	2

Attendance of cultural and sports events	6	3	5	5	2	3
Cultural and recreational activities combined	157	141	149	201	186	193
Reading	37	29	33	25	21	23
Watching television and video cassettes	106	97	101	160	151	156
Listening to the radio, tapes, and records	9	4	6	6	3	5
Other pastimes	5	11	8	9	10	10
Walking, sports, and physical education	13	6	10	14	8	11
Passive recreation and doing nothing	1	1	1	1	1	1
Leisure activities combined	233	202	218	275	240	257

Source: Central Bureau of Statistics (KSH) Lifestyle and Schedule Survey.

Amount of Time Devoted to Housework and Maintenance Daily by Population Aged 18 to 60, on an Average Autumn Day (minutes)

Activities	1986			1999		
	men	women	both	men	women	both
Cooking, setting table, and serving food	9	77	44	13	77	46
Washing up	3	28	16	4	28	16
Cleaning and putting home in order	7	37	23	9	35	22
Washing and ironing	1	36	19	2	27	15
Mending and sewing clothes	0	14	7	0	4	2
Caring for parents	0	1	1	0	1	1
Conventional housework combined	20	192	109	28	172	102
Cleaning garden, yard, and sidewalk	8	5	7	14	7	10
Heating house and carrying water	8	4	6	8	2	5
Other household jobs	3	2	3	4	3	4
Jobs around the house combined	20	11	15	26	12	19
Repairing vehicle, equipment, and furniture	10	0	5	9	0	4
Repair and maintenance work and construction jobs combined	22	3	12	17	2	9
Household and maintenance work combined	62	206	136	71	186	130

Source: Central Bureau of Statistics (KSH) Lifestyle and Schedule Survey

Population and Family Indices

Description	1994	1995	1996	1997	1998	1999	2000
Population, as of 1 January, thousands	10 277	10 246	10 212	10 174	10 135	1 092	10 04
Actual growth, %	-0.3	-0.3	-0.4	-0.4	-0.4	-0.5	
Natural growth, %	-3.0	-3.3	-3.7	-3.8	-4.3	-4.8	

Raw reproductive coefficient	0.799	0.764	0.706	0.665	0.649	0.625	
Pure reproductive coefficient	0.784	0.750	0.693	0.655	0.638	0.615	
Population 60 years of age and over, %	19.3	19.4	19.4	19.5	19.5	19.6	19.7
Marriages per 1 000 single women aged 15 and over	26.7	25.8	23.3	21.9	20.7	20.6	
Average age by which women first marry	22,0	22.2	22.6	23.5	23.8	24.2	
Percentage of single women aged 40 to 44, %	4.8	5,0	5.1	5.2	5.3	5.4	5.5
Births outside marriage, %	19.4	20.7	22.6	25,0	26.6	28,0	
Divorces per 1 000 marriages	9.8	10.5	9.7	10.9	11.4	11.6	
Marriages per 1 000 divorced women	23.4	22.4	19.3	19.9	18.1	18.6	
Divorced among women aged 15 and over, %	8.9	9	9.3	9.5	9.8	10.1	10.3
Average household size	..	..	258	..	..	..	
Rate of single households, %	..	..	26.1	..	..	..	
Rate of households numbering 5 and more persons, %	..	..	8.5	..	..	..	
Average family size	..	..	294	..	..	..	
Rate of families comprised of single parent with child, %	..	..	15.5	..	..	..	
Rate of families with 4 or more children, %	..	..	1.6	..	..	..	
Constant domestic migration, tenths of a percent	20.4	20.6	20.5	21.6	22.2	21.9	
Temporary domestic migration, tenths of a percent	14.7	19.1	21.3	19.6	19.3	17.8	
Urban population a), %	63.8	62.7	62.9	63.1	63.7	63.5	63.7

a) The appropriate year according to the administrative categorization as of 1 January.

Note: The underlined part has been modified relative to the previous figure.

Housing Indices

	1989	1990	1991	1992	1993	1994	1995	1996	1997
Persons per 100 rooms	-	114	111	111	110	108	108	106	105
Households per 100 homes	-	100	-	-	-	-	-	-	-
Housing growth rate, %	0.9	0.9	1.0	0.7	0.6	0.1	0.1	0.5	0.6
Built homes per 1 000 inhabitants	4.9	4.2	3.2	2.5	2.0	2.0	2.4	2.8	2.8
Homes with three or more rooms, %	-	39.6	41.2	-	40.3	40.5	40.6	40.8	41.0
Homes with plumbing, %	-	83.3	83.6	83.7	83.9	84.6	84.1	84.3	84.4
Homes with sewer connections, %	-	83.8	84.0	84.2	84.4	84.5	84.6	84.8	84.9
Homes with flushing toilets, %	-	74.1	74.5	75.0	74.9	75.0	75.1	75.4	75.6
Homes with piped gas, %	-	40.2	40.2	40.7	40.4	40.6	40.7	41.0	41.2

Source: Central Bureau of Statistics (KSH).

Health Condition Indices

Description	1994	1995	1996	1997	1998
Average life expectancy at birth, males	64.84	65.25	66.06	66.35	66.14
Average life expectancy at birth, females	74.23	74.50	74.70	75.8	75.18
Average life span expected at 40 years of age, males	28.08	28.34	28.82	29.02	28.89
Average life span expected at 40 years of age, females	36.19	36.36	36.58	36.75	36.84
Average life span expected at 60 years of age, males	14.66	14.77	14.88	14.98	14.95
Average life span expected at 60 years of age, females	19.32	19.47	19.44	19.69	19.79
Infant mortality, per 1 000 live births	11.5	10.7	10.9	9.9	9.7
Mortality at 0-6 days of age, per 1 000 live births	5.8	5.5	5.2	5.1	4.5
Still births, per 1 000 live births	3.53	3.51	3.77	4.79	5.71
Motor vehicle-related deaths, per 10 000 inhabitants	1.66	1.70	1.37	1.43	1.45
Non-traffic-related deaths, per 10 000 inhabitants	5.61	5.48	5.16	4.79	4.79
Days of hospitalization per inhabitant	11.3	10.8	10.3	9.8	9.5
Number of disabled pensioners, thousand ^{a)}					
Of which: eligible according to age	377.3	385.7	393.4	401.7	397.4
below eligible age	313,0	332.3	352,0	364.9	380.1
Number of registered physicians, per 10 000 inhabitants	40.6	41.6	43.3	44.3	45.4
Operating hospital beds, per 10 000 inhabitants	96.1	90.7	89.9	82.4	83,0
Sick-pay days per active earner	20.1	17.4	12.5	11.9	11.4

^{a)}At beginning of year. (Source: ONYF)

Time utilization and lifestyle indices

Activity	Avg. No. of minutes utilized per day			
	1976-1977	1986-1987	1993	
Working		Men	536	522
Women		574	555	532
Activities		Men	347	346
Women		224	211	176
Farming		Men	60	75
Women		47	41	34
Homemaking		Men	83	73
Women		242	221	225
Transportation		Men	69	67
Women		51	51	49

Active free time	Men	227	250	286
Women	186	219	235	
Reading and studying	Men	48	47	35
Women	25	33	32	
Visiting cultural institutions	Men	5	5	3
Women	3	2	2	
Social life	Men	61	62	63
Women	44	47	46	
Watching television Recreation	Men	95	117	161
Women	87	107	135	
Cultural indices	Men	13	11	15
Women	9	6	7	

Culture Indices

	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996
Number of books (works) published per 100 000 inhabitants	74	71	72	72	70	74	82	93	91	90
Copies of books published per 100 000 inhabitants	922	931	1025	1091	884	876	700	720	655	523
Copies of periodicals per 1 000 inhabitants	47	47	44	47	49	-	-	-	-	-
Copies of daily papers per 1 000 inhabitants	90	91	73	76	75	-	-	-	-	-
Theater visits per 100 inhabitants	55	54	49	48	49	46	43	40	39	38
Concert visits per 100 inhabitants	9	9	8	7	6	5	5	4	4	4
Museum visits per 100 inhabitants	189	173	154	135	115	98	91	104	89	97

Source: Central Bureau of Statistics (KSH).

Deviancy Indices

Description	1994	1995	1996
Suicides, per 100 000 inhabitants	35.3	32.9	31.5
Liver disease-related deaths, per 100 000 inhabitants	62.0	84.0	60.0
Annual per capita wine consumption, liters	29.2	26.6	30.0
Annual per capita beer consumption, liters	84.7	75.3	70.0

Annual per capita spirit consumption, 100-proof alcohol, liters	3.51	3.42	3
Annual per capita alcoholic beverage consumption, 100-proof alcohol, liters	10.5	10.0	1
Sentenced criminals, per 10 000 inhabitants ^{a)}	76.3	84.0	8
Registered patients under psychiatric treatment, per 10 000 inhabitants	134.9	137.8	13
Patients released from psychiatric treatment institutes and hospitals, per 10 000 inhabitants	200.0	190.5	20

^{a)}Considering total population at mid-year.

Social structure indices

Distribution of active earners by social strata	1990	1993	1994	1995
Supervisor and white-collar	11.0	16.1	17.2	1
Office staff	22.4	22.9	22.1	2
Self-employed, craftsman, trader and entrepreneur	4.2	7.2	7.5	
Skilled worker	25.7	27.1	23.8	2
Semi-skilled worker	24.0	17.8	23.7	2
Self-employed farmer	1.1	3.3	5.2	
Agricultural worker	11.6	5.6	5.2	
Total	100.0	100.0	100.0	10
Highly qualified intellectual employees of the active earners	33.4	39.0	-	3
Employed in the industrial sector	38.1	31.0	-	2
Employed in the agricultural sector	12.7	8.9	-	
Self-employed and assisting family member	5.3	10.5	-	1

Community income indices

	1989	1990	1991	1992	1993	1994	1995
Per capita GDP, 1980=100	116	112	99	96	95	98	99
Per capita real income, 1980=100	115	113	111	108	103	107	100
Real wage index, 1980=100	94	90	84	83	79	85	75
Real value of per capita pecuniary social contribution, 1980=100	140	137	139	135	133	132	106
Real value of average pension, 1980=100	109	106	99	93	87	92	83
Share of lower decile in total personal income, %	4.5			3.6	3.6	3.6	3.6
Share of upper decile in total personal income, %	20.9			24.3	23.9	24.7	26.1

The Széchenyi Plan for Economic Development

The decade during which Hungary's political system had undergone a transformation was over by the turn of the millennium, and the institutions of constitutionality, market economy, and democracy had all been established. The Hungarian economy is undergoing dramatic growth,

whose consequences could even be felt in everyday life.

The modernization of the economy was implemented mostly through global investments. In addition to being based on a cheap domestic labor force, the economic development model followed in the nineties relied on foreign capital injection, which was essentially implemented in the form of privatization in the first half of the decade and increasingly through green-field investments in the latter part of the same period. In terms of capital injection, Hungary was the first country in the region to work out and fashion a stable, calculable, and easily apprehensible investment environment and legal system. This rapid change definitely contributed to Hungary becoming the leader of the whole region in terms of working capital inflow.

Economic growth reached 4-5% in the past few years, which amounted to double the EU average, whereas the GDP index was 6.2% in the first half of 2000. The external and internal balance improved concurrently and the rate of inflation was moderated, which truly demonstrated that accelerating economic growth and macroeconomic balance could indeed be harmonically amalgamated. Irrespective of the fact that the global economy was hit by crises, rugged changes took place in the international monetary markets, and that Hungary had to compensate for the adverse effects of various natural disasters hitting the country, favorable results could still be achieved.

The enrolment of Hungary in OECD and NATO further improves the judgement of the country. Additionally, our accession by the European Union also progressed considerably. The required preparations are carried out according to schedule and are likely to be completed by 2002. At the same time, the relational structure of our foreign trade turnover demonstrates that the Hungarian economy and its business sector are already integrated, since the key group of commercial countries covers the 'fifteen', moreover the product structure of Hungarian export is also similar to that of the most developed countries.

The Hungarian economy managed to reach a position in 2000 whereby it could take advantage of its so-far unused resources. Various major economic development projects – all initiated within the framework of the national development plan named for István Széchenyi – should lead to economic and social developments that result in the Country's catching up and massive social upheaval. This objective can be met if Hungary's continued economic growth is maintained and if the efficiency of the Hungarian economy is improved even further. The Széchenyi Plan is aimed at supporting this purpose by providing a strategic direction, a framework, as well as favorable investment opportunities for all the market players.

As the projects covered by Széchenyi Plan are implemented jointly by the business sector, the regions, and the government, the process of planning already and naturally requires a common way of thinking. Consequently, the government prompted far-reaching technical, and social negotiations concerning the first published version of the plan. This open planning procedure is still a novelty in Hungary, yet the great number of comments and proposals proved that the first and foremost objective of the undertaking, i.e., the launch of a common way of thinking, could be realized.

Numerous useful ideas and opinions had been incorporated the final version, which will eventually contains seven operative projects. Dozens of applications and tenders, all launched as of January 2001 within a well-arranged and controllable judgement system, are connected to the projects and sub-projects. The government hopes that the state funds will be financed by at least three or four times more business capital, leading to a breakthrough in the development of Hungarian economy. This in turn could contribute to the accelerated development of branches which can boost Hungary's economic growth by as much as the annual 'dream limit' of seven percent.

Money and Capital Market

The Russian and Brazilian financial crises of 1998 made their impact felt in early 1999 as well. As a result, domestic analysts and research institutes forecast a cloudy prospects for the year's Hungarian economy up to February 1999. For example, they believed the Orbán Cabinet was too

optimistic when it passed its budget for 1999, and virtually everyone besides the government assumed that some adjustments – perhaps a supplementary budget – would be needed. This sentiment was confirmed by the key figures for the first months of the year, which prognosticated a record deficit for both the central budget and the balance of payments on current account. Moreover, growth in the Gross Domestic Product (GDP) fell far short of the 7% per annum promised by the leading power of the coalition, Fidesz / Magyar Polgári Párt (Young Democratic Alliance / Hungarian Civic Party) in its 1998 election campaign. The fact that the European Union – considered Hungary's leading trade partner, representing a nearly 3/4 share – was hit by a minor recession, unfortunately also contributed to this.

The low-keyed growth of the Hungarian economy was of course reflected in the activities of the domestic banks as well. Demand for bank loans dropped, and according to the data of the State Supervisory Body of Financial Organizations (Pénzügyi Szervezetek Állami Felügyelete), bank loans extended to clients increased by just 7.7 percent in the first half of 1999, in other words, they dwindled in terms of real value taking into account the average annual inflation rate of around 12-13%. In addition, the profitability of the financial institutions leveled off, primarily because the banks were compelled to lower their interest rates in keeping with the slow but sure rounding off of the inflation rate. Because the competition between the banks became as close as ever – new players were cropping up practically every month in the retail department – the financial institutions were unable to offset the drop in yields caused by the inflation by increasing the margin between the interests on loans and those on deposits. Moreover, this difference decreased from 4.5 to 4.2 percentage points in 1999. The banks' elbow-room dwindled even further because the monopoly represented by bank loans in providing loans to enterprises and retail clients gradually broke up along with the proliferation of new financing and investment alternatives. Even though this effect had not been noticeable in 1999 due to the domestic capital market being also affected by the Russian and Brazilian financial crises, the trend of the population investing more and more of its savings in forms of investment other than banks continued.

The adverse environment the banks were active in was further worsened by the fact that foreign investors faced by the weak economic indices of Hungary in early 1999, also turned their backs dramatically, which essentially contributed to a decrease in the growth-rate of the banks' balance-sheet figures and profits. Namely, as a result of a relative capital deficit, the number of investment and development projects that could have been financed by banks also declined. Adding to this, the financial institutions had to devote considerable resources to eliminating the Y2K problem, moreover several of them incurred extra costs because of certain miscalculated strategic development concepts. For all these reasons more banks than ever – namely 17 of them – were bound to account for losses, amounting to some HUF 36 billion, in 1999. This is quite much, mainly if one considers that loss-making banks comprised 20% of the banking sector's balance-sheet footing.

Even though the Hungarian economy realized a spectacular comeback with improved key indices in the second half of the year and investors returned by the end of the year, this did not manage to improve the banks' grave situation for 1999. The banks quickly bore down on numerous new business opportunities presenting themselves, and bank loans extended to clients grew by as much as 16.1 percent in the second half of 1999. Because of the increased rate of economic growth (ca. 5% per annum) though, the population's real income also began steadily rising, and the demand for bank loans increased.

This trend maintained its momentum in 2000 as well, moreover its rate even increased dramatically, since the Hungarian GDP rose by nearly 6% in the first half of 2000 on account of a more favorable external environment. The banks took advantage of this good "tail-wind", and although no final figures are available yet, it is definite according to the forecasts that the global profit of the Hungarian banking system exceeded the previous year's in 2000.

Increasing competition among the banks and the fulfillment of capital demands, however, screened out even more players in 1999 and 2000. The number of domestic banks continued to decrease,

which from the experts' point of view, is no problem at all because 30 or more financial institutions in Hungary is still more than what the size and capacity of the Hungarian economy can support. The banking system was streamlined partly by bank closings and partly by the local impact of the fusions going on in full swing in the international arena. Realbank Rt. closed its doors and one of Hungary's most venerable financial institutes, Pénzüntézeti Központ Rt., was taken off the market in 1999, while Rákóczi Bank Rt. ceased to exist in 2000. Due to the merger of their foreign owners, Bank-Austria-Creditanstalt Hungary Rt. and HypoVereinsbank Hungária Rt. will continue their activities under one roof from the spring of 2001 as the domestic bank with the fifth highest balance-sheet footing. The creation made up of the former success duo comprised of Kereskedelmi és Hitelbank Rt. and a bank rising from the ruins of the former Magyar Hitel Bank Rt., ABN Amro (Magyar) Bank Rt., is placed even further ahead, in second place. And there is still more to domestic bank mergers: in August 1998, OTP Bank Rt. – by far the largest member of the banking system – had the opportunity to devour Postabank és Takarékpénztár Rt. – a financial institute that had undergone nearly two and a half years of improvement and freed of its Chairman-C.E.O. Gábor Princz. Dozens of mergers took place in 1999 and 2000 among the “busy ants” of the Hungarian banking system: the co-operative savings associations. In essence, they should not yet be considered as a reaction to market forces because merger was the only way that co-operative savings associations could meet the tightened capital requirements of the newly amended Act on Financial Institutions.

It is possible that the domestic brokerage firms suffered even more from the severe crises of 1998 than the banks. Many of them had gone bankrupt, while others were bought up. For example, Concorde Értékpapír Rt. incorporated no less than five of its former partners in 2000. So, the heyday of investment enterprises – related to a quick restoration of the trust of foreign clients in the Hungarian capital market and/or in the Budapest Stock Exchange (BÉT) and to proceeds (directly or indirectly) achievable through high interest premiums on the forint – ended in 1999.

The years 1999 and 2000 were not so memorable for the Hungarian stock market also because the boom clearly expected by practically everyone after the clearing of the ruins of 1999 failed to take place in 2000. Even though the overwhelming majority expected BÉT's official index, the BUX, to well exceed the 8,819 point value of late 1999 in 2000 – some even believed 15,000 points to be a realistic goal – the BUX closed even lower than the previous year's figure. This was primarily due to external factors, specifically the spectacular collapse of the American stock market in the spring of 2000, then the strong aftershocks of the Turkish financial crisis in November 2000, on account of which foreign investors withdrew much of their capital from the Budapest Stock Exchange (among others) – to save whatever they could. While somewhat more (EUR 1 billion) foreign operative capital came to Hungary in the first ten months of 2000 than in 1999, the value of financial or so-called portfolio investments decreased by EUR 560 million in 2000, in contrast with the EUR 900 million growth realized during the first ten months of 1999.

Magyar Távközlési Rt. – a company with the largest stock market turnover and market value, and influencing nearly 30% of the BUX – suffered greatly from the worldwide loss in interest in the telecommunications stocks that had been soaring in 1999 and in early 2000 after it turned out that developments relating to wireless telephony and the Internet were much more expensive than previously assumed by the experts. So, the firm dragged the BUX into the depths. Notwithstanding, the Orbán Cabinet gave Hungarian stocks the final push, which particularly in 2000 did not prove too investor-friendly because it did not allow MOL (Magyar Olaj- és Gázipari Rt.) to raise gas prices by more than 6% per annum in spite of crude oil prices rising from \$10 a barrel to more than \$30 in the space of twelve months. The two pharmaceutical manufacturers on the stock market, Egis Rt. and Richter Rt., had also been adversely affected because of the government's freezing of drug prices. Moreover, there is also little chance of new companies showing up on the stock market with the end of Hungary's “age of privatization”. For example, only the admission of Graphisoft N.V. and Econet.hu Rt. to stock-exchange dealing managed to attract investors in 2000, yet even these morsels proved to be precious little.

ITDH – Networking is Our Job

Investment and Trade Development Hungary (ITDH) is a non-profit organization, a consulting service provider with a wide range of expertise. ITDH's line of business is the encouragement of investment and trade development. It operates a network of offices both in Hungary and abroad, and has a large information database. ITDH's 36 offices operating in 33 countries and its 9 regional offices in Hungary work closely together with the headquarters in Budapest, providing services to both foreign and Hungarian clients.

The promotion of investment and trade development means that ITDH explores investment-related opportunities for foreign businesses in conjunction with the direct or indirect presence of Hungarian companies on the foreign markets and also the facilitation of cross-border investments, as well as providing mediation services. Thus, for example, ITDH organizes exhibitions for the presentation of the customers' products, and manages sectoral product-marketing programs. With its suppliers' programs ITDH assists domestic small-to-medium-sized enterprises. Its competent branches provide information to the customers on legal, customs, and financial issues, and on the corporate, regional, and project databases. ITDH is also responsible for organizing and conducting communication campaigns both in Hungary and abroad, concerning on-line communication, the publication and distribution of information booklets, business, and trade manuals in Hungarian and in foreign languages.

Such extremely complex professional work is done by the highly qualified and experienced members of ITDH's staff, who are fluent in foreign languages. Their success is proven by ITDH's ever growing annual accomplishments, and by the successful implementation of the varied program designed for this purpose.

In 1999, for example, ITDH conducted 280 targeted professional programs (conferences on investment, business meetings, targeted partner searches, trade development seminars, exhibitions, etc.) In connection with the above, the following are unambiguously tied to ITDH: in 1999, with the contribution of ITDH, working capital investment programs worth USD 560 million were implemented, which – in addition to their effect on industrial modernization and on the promotion of export sales – entailed the creation of some 9,000 new jobs.

In 2000, ITDH conducted some 350 professional events, one third of which took place in Hungary. As for the decisions on foreign working capital investment, the total value of these in 2000 is certain to exceed that of the previous year. (As late as in December 2000, the officials of ITDH were still expecting the announcement of production-related foreign investment of extremely high value, therefore these figures are by no means final.)

A few interesting examples of investment references:

On 18 January 2000, it was announced at the headquarters office of ITDH that the US-based Jabil Circuit, one of the five largest electronic system designers and PCB (printed circuitry board) manufacturers in the world, was launching a green-field investment project at the Tiszaújváros industrial park, in East Hungary. A plant employing some 2,000 workers has been erected since then, where Jabil Circuit manufactures PCBs.

Artesyn Technologies of Florida, USA, whose subsidiary has been operating in Tatabánya, Hungary for years, announced at a press conference held at the ITDH head office in March 2000, that they intend to build another production plant with an area of 11,000 square meters next to the existing plant, in which they intend to manufacture inductive components for telecommunications equipment and DC and AC power supply units, hiring another 600 employees.

It was also via ITDH that Samsung Electro-Mechanics (SEMCO) of South Korea chose Szigetszentmiklós, a village 25 km from the Hungarian capital, as the site of its USD 21 million green-field investment project. Production is due to start in 2001 at an electronic assembly plant that will be completed in 2000.

Initially, the SEMCO's Hungarian plant will hire 550 employees, but with a further growth in production capabilities 1,100 employees will be hired in 2003, and yet another 1,300 in 2005. Flextronics International of Singapore opened up its first plant in Tab, Hungary in 1993, where PCBs are assembled. The first plant was succeeded by a second investment project in Zalaegerszeg in 1995, then the Sárvár project, now within FI's own industrial park in 1997. In 1999, the opening of a second plant and industrial site in Zalaegerszeg followed. In June 2000, again in FI's own industrial park in Nyíregyháza, in the east of Hungary, the production of PCBs and other electronic components began at the company's new, 18 000 sq. m. facility. (And the Flextronics story also started with ITDH!)

For further information and data on ITDH's activities, please visit the company's homepage (www.itd.hu), where information is updated on a daily basis.

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Hungary's Foreign Debt (USD million)

Description	1996	1997	1998	1999
Total gross debt	28 043	24 395	27 280	29 279
Of which:				
NBH and government	18 275	13 791	14 415	15 279
Credit institutions and business sector	9 768	10 604	12 332	14 000
Total gross receivables	13 387	12 590	14 403	17 967
Of which:				
International reserve	9718	8 429	9 341	10 978
Other receivables	3 681	4 161	5 062	6 989
Total net debt	14 655	11 805	12 877	11 312
NBH and government	7 747	4 737	4 538	2 966
Credit institutions and business sector	6 908	7 068	8 339	8 346

Source: National Bank of Hungary (NBH)

Hungary's Foreign Debt Service Indices (based on current account of payments)

Description	1996	1997	1998	1999
Gross interest expenditures, USD million	2 320	2 263	1 975	1 478
Debt service ^{a)} , USD million	9 522	9 520	7 750	5 432
Balance of payments on current account as a percentage of the GDP	-3.7	-2.1	-4.9	-4.3
Gross debt ^{b)} as a percentage of the GDP	62.1	53.3	58.0	60.4
Net debt as a percentage of the GDP	32.4	25.8	27.4	23.3
Import coverage index, month (reserve/one month's import)	7.0	4.7	4.9	5.5

^{a)}Repayment of medium-term loans and gross interest expenditures (excluding loans extended by owners)

^{b)}Loans extended by owners

Source: National Bank of Hungary (NBH)

Number of financial institutions

Financial institutions	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995
Central Bank	1	1	1	1	1	1	1	1	1	1
Trade banks	-	5	8	18	21	31	31	38	38	35
Specialized financial Institutions	14	14	14	11	9	7	8	10	11	10
Savings banks	262	260	260	260	260	260	257	251	252	260
Other supplementary financial services	5	4	4	4	45	99	375	589	650	996

Insurance companies	2	2	4	4	7	11	13	14	14	15
Total	284	286	291	298	343	409	685	903	966	1,317

Deposits and loans of the business sector (HUF billion)

Year	Contractor loans in total	Of which:		Of which:	
corporate foreign- exchange loans	Contractor deposits in total	corporate foreign exchange deposits	Net contractor loans in total		
1992	704.0	60.2	452.4	63.2	251.6
1993	761.9	65.6	532.9	125.0	229.0
1994	869.7	92.6	550.3	112.1	319.4
1995	982.6	217.8	650.8	187.5	331.8
1996	1,265.2	350.8	806.3	146.4	458.9

Avg. annual interest rates of retail deposits, securities and loans, Dec.1995, %

Major banks	Medium and small	banks	Savings banks
Sight deposits	8.2	17.0	12.3
Short-term deposits	21.6	25.7	22.8
Long-term deposits	24.6	28.2	23.7
Bank securities	26.1	27.8	26.0
Loans	31.7	32.7	33.8

Household savings (end-of-year portfolio) (HUF billion)

Description	1993	1994	1995	1996
Cash	294.7	333.2	380.4	425.4
HUF deposit	491.3	572.6	640.7	853.7
Savings bond	83.2	85.6	86.9	95.2
Foreign exchange deposit	204.7	293.7	439.0	485.4
Bank securities	118.0	140.1	280.1	
Non-bank securities	116.7	237.8	320.5	440.1
Insurance premium reserve	52.1	58.6	74.7	108.2
Deposits of small and private enterprises	33.2	32.0	33.9	47.3

Total savings	1,393.9	1,753.6	2,183.0 2,	735.4
Retail loans	282.8	317.3	298.7	280.4
Small and private enterprise loans	85.7	89.2	70.8	62.4
Loans in total	368.5	406.5	369.5	342.8
Net financial savins	1,025.4	1,347.1	1,812.5	2,392.6

Foreign capital investment in Hungary until late 1996

Annual distribution of foreign investment (USD billion)

up to	1989	1990	1991	1992	1993	1994	1995	1996
Value	500	900	1,700	1,700	2,550	1,300	4,500	1,900
Total	500	1,400	3,100	4,800	7,350	8,650	13,150	15,05

Foreign Investments by Countries (HUF billion)

Country	1997			1998		
registered capital	Of which: foreign investment	Proportion of foreign share in registered capital (%)	registered capital	Of which: foreign investment	Proportion of foreign share in registered capital (%)	
Germany	647.6	445.0	68.7	765.6	597.8	78.1
Netherlands	283.7	261.5	92.2	368.9	330.4	89.6
USA	380.9	273.7	71.9	335.2	260.7	77.8
Austria	252.5	196.6	77.9	313.9	248.9	79.3
Great Britain	177.8	127.4	77.3	178.7	136.7	76.5
France	172.8	103.8	60.1	193.4	130.0	67.2
Italy	72.5	60.2	83.0	79.5	67.6	85.0
Switzerland	57.9	47.6	82.2	68.6	61.7	89.9
Belgium	78.3	52.1	66.5	88.2	57.7	65.4
Japan	30.4	27.5	90.5	43.4	40.6	93.5
Luxembourg	32.1	25.6	79.8	31.5	25.0	79.4
Cyprus	13.7	10.9	79.6	24.3	18.7	77.0
Korea	15.3	13.7	89.5	17.7	16.2	91.5
Sweden	16.4	15.4	93.9	16.4	15.7	95.7
Finland	9.5	7.8	82.1	14.9	12.0	80.5
Denmark	9.8	8.5	86.7	8.6	8.1	94.2

Russia	23.5	12.2	51.9	15.4	6.8	44.2
Ireland	21.4	14.3	66.8	10.5	6.8	64.8
Liechtenstein	9.3	3.6	38.7	16.5	6.7	40.6
Canada	24.5	19.5	79.6	8.5	5.0	58.8
Ukraine	5.3	2.7	50.9	5.2	2.7	51.9
Spain	3.7	2.1	56.8	4.2	2.6	61.9
Israel	1.8	1.7	94.4	2.0	1.5	75.0
China	0.6	0.6	100.0	1.0	1.0	100.0
Greece	1.7	1.6	94.1	1.2	1.0	83.3
Turkey	0.7	0.5	71.4	1.0	0.6	60.0
Australia	0.3	0.3	100.0	0.3	0.2	66.7
Other	72.6	50.5	69.6	95.7	69.1	72.2
Total	2 416.6	1 796.9	74.4	2 710.3	2 131.8	78.7

Trends in the Increase of Foreign Capital on the basis of Data from the National Bank of Hungary and the Central Bureau of Statistics

Year	Direct capital investments			
	NBH*		KSH**	
	incl. owners' loans		excl. owner's loans	
	USD million	HUF billion	HUF billion	HUF billion
1988	14	0.7	0.7	-
1989	187	11.1	11.1	30.0
1990	311	19.7	18.7	63.2
1991	1 459	109.2	109.2	121.8
1992	1 471	116.2	116.2	186.8
1993	2 339	215.3	215.3	261.1
1994	1 146	120.5	120.5	170.6
1995	4 453	559.7	559.8	471.2
1996	1 983	302.5	272.8	298.2
1997	2 085	389.4	338.2	443.3
1998	1 935	415.0	302.3	317.8
Total	17 383	2 259.3	2 065.6	2 364.0

Source: *National Bank of Hungary "Annual Report". **"Declaration of Corporate Taxes and Dividends".

Distribution of Capital Investments by Country of Origin (%)

Country	1992	1993	1994	1995	1996	1997	1998
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Germany	18.5	28.5	22.2	24.6	23.8	24.8	28.0
Netherlands	8.9	5.6	11.1	10.5	9.5	14.6	15.5
USA	12.4	21.0	14.3	16.0	17.1	15.2	12.2
Austria	25.1	15.8	19.1	15.9	14.5	10.9	11.7
Great Britain	4.9	3.9	4.5	3.8	5.8	7.6	6.4
France	5.1	4.8	5.1	8.1	7.8	5.8	6.1
Italy	3.2	3.9	4.7	3.8	3.8	3.4	3.2
Switzerland	4.3	2.0	3.9	2.9	2.3	2.6	2.9
Belgium	2.9	3.2	2.1	3.1	2.6	2.9	2.7
Japan	2.6	2.6	1.9	1.3	1.6	1.5	1.9
Other	12.1	8.7	11.1	10.0	11.2	10.7	9.4
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: Central Bureau of Statistics (KSH)

Distribution of the Capital Investments of Major Investing Countries by Regional Units, 1998 (%)

Regional Unit	Germany	Netherlands	USA	Austria	Great Britain	France	Total
Central Hungary	56.5	68.7	64.4	65.5	42.4	51.1	61.8
Central Transdanubia	3.5	13.7	13.3	5.8	1.2	2.9	7.2
Western Transdanubia	12.3	8.9	3.7	16.5	17.3	16.0	10.2
Southern Transdanubia	6.9	0.6	0.3	6.9	4.0	0.5	3.4
Northern Hungary	11	2.1	6.3	1.8	28.9	4.2	7.7
Northern Plains	7.5	2.5	3.2	1.4	1.5	1.7	4.8
Southern Plains	2.4	3.4	8.7	2.0	4.7	23.7	5.0
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: KSH (Central Bureau of Statistics)

Distribution of foreign capital investment by individual sectors (aggregate, %)

May 1993	Dec. 1994	Dec. 1995	Dec. 1996
1. Industry 66	1. Industry 57	1. Industry 50	1. Industry 46.5
2. Finance 10	2. Telecommunications 14	2. Telecommunications 15	2. Telecommunications 14
3. Trade 9	3. Finance 8	3. Power generation and transimtion 13	3. Power 12
4. Real estate 7	4. Trade 7	4. Finance 6	4. Trade 9.5
5. Telecommunications - and other	5. Finance and other 6.5	5. Real estate and other 7	5. Trade and other 6

Foreign-owned companies in the Hungarian TOP 200

	1995	1996
Number of foreign majority owned companies	98	120
Number of foreign minority owned companies	8	7
Number of companies owned by foreign financial and institutional funds	5	7
Total	111	134

Enterprise of Foreign Concern, by Regional Units (HUF billion)

Regional Unit	1997			1998		
	Registered capital	Of which: foreign investment	Number of organizations	Registered capital	Of which: foreign investment	
Budapest	12 966	1 517.6	1 123.5	13 410	1 678.5	
Pest County	1 626	226.8	195.0	1 720	249.8	
Central Hungary	14 592	1 744.4	1 318.5	15 130	1 928.3	
Fejér County	497	85.1	73.6	470	91.5	
Komárom-Esztergom County	556	57.4	53.6	504	58.9	
Veszprém County	789	30.3	23.8	773	33.3	
Central Transdanubia	1 842	172.8	151.0	1 747	183.7	
Győr-Moson-Sopron County	1 241	156.3	109.2	1 250	172.9	
Vas County	697	55.6	51.8	711	63.9	
Zala County	942	30.6	22.7	914	30.3	
Western Transdanubia	2 880	242.5	183.7	2 875	267.1	
Baranya County	918	59.2	38.0	908	57.5	
Somogy County	670	22.4	17.6	603	24.8	
Tolna County	268	8.2	5.7	267	8.9	
Southern Transdanubia	1 856	89.8	61.3	1 778	91.2	
Borsod-Abaúj-Zemplén County	367	150.4	106.0	377	156.6	
Heves County	280	53.7	32.3	301	59.5	
Nógrád County	140	11.5	9.8	152	12.2	
Northern Hungary	787	215.6	148.1	830	228.3	
Hajdú-Bihar County	363	83.1	56.1	338	85.2	
Jász-Nagykun-Szolnok County	277	25.4	18.4	278	27.5	
Szabolcs-Szatmár-Bereg County	582	19.2	14.8	732	19.0	

Northern Plains	1 222	127.7	89.3	1 348	131.7	
Bács-Kiskun County	913	27.9	24.7	834	28.2	
Békés County	249	17.7	15.2	248	26.8	
Csongrád County	1 397	80.9	54.4	1 202	81.9	
Southern Plains	2 559	126.5	94.3	2 284	136.9	
Total	25 738	2 719.3	2 046.2	25 992	2 967.2	

Source: Central Bureau of Statistics (KSH)

Number and Registered Capital of Enterprises of Foreign Concern

Description	1989	1990	1991	1992	1993	1994	1995	1996	1997*
Number of organizations	1 350	15 693	9 117	17 182	20 999	23 557	25 096	26 130	25 738
Of which:									
of Hungarian and foreign concern	1 325	5 462	7 927	12 547	13 622	14 185	14 076	13 739	11 953
only of foreign concern	25	231	1 190	4 635	7 377	9 372	11 020	12 391	13 785
Founder's assets, HUF billion	124.4	274.2	475.6	713.1	1 113.2	1 398.2	1 978.1	2 269.4	2 719.3
Of which:									
of Hungarian and foreign concern	124	268.7	437.3	594.8	910.3	1 059.5	1 492.5	1 632.6	1 879.5
only of foreign concern	0.4	5.5	38.3	118.3	202.9	338.7	485.6	636.8	839.8
Foreign capital investment, HUF billion	30.0	93.2	215.0	401.8	662.9	833.5	1 304.7	1 602.9	2 046.2
of which:									
of Hungarian and foreign concern	29.6	87.7	176.7	283.5	460.0	494.8	819.1	966.1	1 206.4
only of foreign concern	0.4	5.5	38.3	118.3	202.9	338.7	485.6	636.8	839.8
Per organization									
Founder's assets, HUF million	92.1	48.2	52.2	41.5	53.0	59.4	78.8	86.9	105.7
Foreign capital, HUF million	22.2	16.4	23.6	23.4	31.6	35.4	52.0	61.3	79.5

Note: The Central Bureau of Statistics surveyed the operation of enterprises of foreign concern initially in 1991.

* Excluding enterprises with less than 10% share and off-shore enterprises.

Source: Central Bureau of Statistics (KSH)

Foreign Concerns by Founder's Assets

Registered capital (HUF million)	Number of organizations	Registered capital	Of which: Foreign Investment	Number of organizations	Registered capital	Of wh
(HUF billion)			(HUF billion)			
	1995			1996		
0-1	12 803	8.3	6.4	14 017	9.4	
1.1-10	7 670	26.9	20.4	7 352	26.7	
10.1-50	2 253	53.9	42.9	2 364	56.3	
50.1-100	948	62.9	48.7	895	61.4	
100.1-	1 422	1 826.1	1 186.3	1 502	2 115.6	
Total	26 096	1 978.1	1 304.7	26 130	2 269.4	
	1997*			1998*		
0-1	14 209	9.8	8.1	13 767	9.1	
1.1-10	6 689	25.1	19.9	7 217	27.3	
10.1-50	2 353	56.2	47.4	2 425	59.1	
50.1-100	856	60.0	49.2	859	60.9	
100.1-	1 631	2 568.2	1 921.6	1 724	2 810.8	
Total	25 738	2 719.3	2 046.2	25 992	2 967.2	

* Excluding enterprises with a share below 10% and off-shore enterprises.

Source: Central Bureau of Statistics (KSH)

Registered Capital of Enterprises of Foreign Concern, based on the Proportion under Foreign Ownership

Code	Economic sector or subsector	1997		
exclusiv ely foreign- owned	with foreign majority ownership	with Hungarian majority ownership		
Number of Enterprises				
A+B	Agriculture, wildlife management, forestry, and fisheries	11.7	7.3	
C	Mining	6.3	21.9	
D	Processing industry	408.4	349.7	
E	Utilities	4.8	207.7	
F	Construction industry	21.7	33.5	
G	Trade and repair of vehicles and commercial articles	168.0	84.8	
H	Accommodation and catering	29.8	19.9	

I	Shipping, warehousing, post, and telecommunications	21.9	168.8	
J	Financial activities and auxiliary services	57.8	178.2	
K	Real estate transactions, leasing, and services aiding economic activities	102.7	68.7	
M	Education	0.2	0.2	
N	Health care and social services	1.8	0.3	
O	Other communal, social, and personal services	4.7	9.0	
	Total	839.8	1 150.0	

Registered Capital of Enterprises of Foreign Concern, based on the Proportion under Foreign Ownership (contd.)

Code	Economic sector or subsector	1997		
exclusively foreign-owned	with foreign majority ownership	with Hungarian majority ownership		
Number of Enterprises				
A+B	Agriculture, wildlife management, forestry, and fisheries	14.3	7.9	
C	Mining	4.8	6.4	
D	Processing industry	504.0	443.5	
E	Utilities	5.7	399.7	
F	Construction industry	27.1	18.6	
G	Trade and repair of vehicles and commercial articles	181.2	106.2	
H	Accommodation and catering	27.4	14.2	
I	Shipping, warehousing, post, and telecommunications	17.0	179.4	
J	Financial activities and auxiliary services	102.4	166.8	
K	Real estate transactions, leasing, and services aiding economic activities	136.3	97.0	
M	Education	0.2	0.3	
N	Health care and social services	1.8	0.8	
O	Other communal, social, and personal services	25.8	9.4	
	Total	1 048.0	1 450.2	

Source: Central Bureau of Statistics (KSH)

Number of Enterprises of Foreign Concern, based on Proportion under Foreign Ownership

Code	Economic sector or subsector	1997		
exclusively foreign-owned	with foreign majority ownership	with Hungarian majority ownership		
Number of Enterprises				
A+B	Agriculture, wildlife management, forestry, and fisheries	485	199	
C	Mining	38	28	
D	Processing industry	1 856	1 300	1
E	Utilities	7	18	
F	Construction industry	474	340	
G	Trade and repair of vehicles and commercial articles	7 499	2 625	2
H	Accommodation and catering	705	240	
I	Shipping, warehousing, post, and telecommunications	312	248	
J	Financial activities and auxiliary services	69	46	
K	Real estate transactions, leasing, and services aiding economic activities	2 020	1 103	
M	Education	49	40	
N	Health care and social services	55	42	
O	Other communal, social, and personal services	216	166	
	Total	13 785	6 395	5

Number of Enterprises of Foreign Concern, based on Proportion under Foreign Ownership (contd.)

Code	Economic sector or subsector	1997		
exclusively foreign-owned	with foreign majority ownership	with Hungarian majority ownership		
Number of Enterprises				
A+B	Agriculture, wildlife management, forestry, and fisheries	511	209	
C	Mining	35	23	
D	Processing industry	1 880	1 208	
E	Utilities	1	27	
F	Construction industry	458	336	

G	Trade and repair of vehicles and commercial articles	7 899	2 320	2
H	Accommodation and catering	747	221	
I	Shipping, warehousing, post, and telecommunications	363	255	
J	Financial activities and auxiliary services	92	51	
K	Real estate transactions, leasing, and services aiding economic activities	2 444	1 245	
M	Education	58	47	
N	Health care and social services	55	33	
O	Other communal, social, and personal services	253	157	
	Total	14 806	6 132	5

Source: Central Bureau of Statistics (KSH)

Staff Number, Average Gross Earnings, and Net Sales Revenues of Enterprises of Foreign Concern, by Economic Sectors

Code	Economic sector of subsector	1998		
		Number of persons employed	Gross annual salary per capita, HUF/year	Net sales revenue, HUF bil
A+B	Agriculture, wildlife management, forestry, and fisheries	5 739	699 182	3
C	Mining	5 166	1 154 833	4
D	Processing industry	324 086	979 921	4 4
15-16	Production of foods, drinks, and tobacco products	52 178	958 998	7
17-19	Production of textiles, clothing, leather goods and furs	47 226	559 453	1
20-22	Production of wood and paper products, stationery, publishing	19 039	1 177 548	2
23-25	Chemical industry	56 751	1 367 937	1 2
26	Production of products made from non-metallic minerals	15 938	977 686	1
27-28	Smelting and metallurgy	22 631	942 186	2
29-35	Mechanical engineering	104 635	959 668	1 7
36-37	Other processing industries and recycling	5 688	659 019	2
E	Utilities	36 390	1 132 373	6

F	Construction industry	15 327	1 164 700	2
G	Trade and repair of vehicles			
	and commercial articles	73 309	1 087 778	2 1
H	Accommodation and catering	13 912	713 089	4
I	Shipping, warehousing, post,			
	and telecommunications	34 028	1 584 182	5
K	Real estate transactions, leasing, and			
	services			
	aiding economic activities	29 172	1 212 541	4
M	Education	403	1 040 727	
N	Health care and social services	1 120	1 010 110	
O	Other communal, social, and personal	4 367	724 963	4
	services			
	Total	543 021	1 050 195	8 8

Source: Central Bureau of Statistics (KSH)

Staff Number, Average Gross Earnings, and Net Sales Revenues of Enterprises of Foreign Concern, by Economic Sectors (contd.)

Code	Economic sector of subsector	1998		
Number of persons employed	Gross annual salary per capita, HUF/year	Net sales revenue HUF billion		
A+B	Agriculture, wildlife management, forestry,			
	and fisheries	6 386	867 436	6
C	Mining	3 104	1 305 958	3
D	Processing industry	355 285	1 161 112	5 6
15, 16	Production of foods, drinks, and tobacco			
	products	56 593	1 164 752	9
17-19	Production of textiles, clothing, leather			
	goods and furs	51 230	685 558	1
20-22	Production of wood and paper products,			
	stationery, publishing	17 281	1 379 165	2
23-25	Chemical industry	57 632	1 627 335	1 2
26	Production of products made			
	from non-metallic minerals	17 512	1 159 681	1
27-28	Smelting and metallurgy	26 465	1 13 077	3
29-35	Mechanical engineering	121 312	1 137 788	2 5
36-37	Other processing industries and recycling	7 260	800 279	4
E	Utilities	33 484	1 447 184	8

F	Construction industry	14 924	845 537	
G	Trade and repair of vehicles and commercial articles	81 485	1 334 000	3 1
H	Accommodation and catering	14 924	845 537	
I	Shipping, warehousing, post, and telecommunications	29 772	1 904 337	6
K	Real estate transactions, leasing, and services aiding economic activities	32 296	1 526 408	4
M	Education	398	1 203 244	
N	Health care and social services	1 491	1 130 091	
O	Other communal, social, and personal services	5 125	1 029 366	6
	Total	578 341	1 255 002	11 2

Source: Central Bureau of Statistics (KSH)

Enterprises of Foreign Concern, by Economic Sectors

Code	Economic sector or subsector	1997		
Number of organizations	Registered capital	Of witch: foreign investment		
(HUF billion)				
A+B	Agriculture, wildlife management, forestry, and fisheries	843	23.0	
C	Mining	82	29.4	
D	Processing industry	4 245	1 000.4	8
15. 16	Production of foods, drinks, and tobacco products	517	244.8	2
17-19	Production of textiles, clothing, leather goods and furs	591	41.0	3
20-22	Production of wood and paper products, stationery, publishing	743	57.9	3
23-25	Chemical industry	408	264.7	1
26	Production of products made from non-metallic minerals	188	60.6	3
27-28	Smelting and metallurgy	514	67.9	3
29-35	Mechanical engineering	1 096	254.5	2
36-37	Other processing industries and recycling	188	9.0	
E	Utilities	41	514.4	2
F	Construction industry	1 133	57.9	3
G	Trade and repair of vehicles and commercial articles	12 431	291.6	2

H	Accommodation and catering	1 156	60.8	
I	Shipping, warehousing, post, and telecommunications	761	225.0	1
J	Financial activities and auxiliary services	143	293.8	2
K	Real estate transactions, leasing, and services			
	aiding economic activities	4 045	200.7	1
M	Education	141	0.5	
N	Health care and social services	159	2.9	
O	Other communal, social, and personal services	558	18.9	
	Total	25 738	2 719.3	2 0

Source: Central Bureau of Statistics (KSH)

Foreign Concerns by Economic Sector (cont.)

Code	Economic sector or subsector	1998		
Number of organizations	Registered capital	Of witch: foreign investment		
(HUF billion)				
A+B	Agriculture, wildlife management, forestry, and fisheries	858	26.5	22.4
C	Mining	78	14.0	11.5
D	Processing industry	4 024	1 105.3	907.3
15. 16	Production of foods, drinks, and tobacco products	481	266.6	230.8
17-19	Production of textiles, clothing, leather goods and furs	591	46.9	43.6
20-22	Production of wood and paper products, stationery,			
	publishing	651	54.8	49.0
23-25	Chemical industry	389	263.3	173.8
26	Production of products made from non-metallic minerals	174	68.5	59.7
27-28	Smelting and metallurgy	515	88.3	75.2
29-35	Mechanical engineering	1 016	307.0	266.1
36-37	Other processing industries and recycling	206	9.9	9.1
E	Utilities	47	512.4	349.2
F	Construction industry	1 068	48.8	44.8
G	Trade and repair of vehicles and commercial articles	12267	315.9	289.7
H	Accommodation and catering	1 140	53.1	43.2

I	Shipping, warehousing, post, and telecommunications	813	244.4	167.5
J	Financial activities and auxiliary services	178	324.3	258.2
K	Real estate transactions, leasing, and services			
	aiding economic activities	4 625	278.3	232.12
M	Education	149	0.6	0.5
N	Health care and social services	153	2.8	2.4
O	Other communal, social, and personal services	592	40.8	35.2
	Total	25 992	2 967.2	2 364.0

Source: Central Bureau of Statistics (KSH)

Proportion of Foreign Capital in the Registered Capital of Enterprises, by Key Sectors

Sector	1997	1998
Agriculture, wildlife management, forestry, and fisheries	5.9	7.5
Processing industry	56.6	59.7
Of which:		
Production of foods, drinks, and tobacco products	61.4	61.8
Production of textiles, clothing, and leather items	47.8	51.4
Production of wood and paper products and stationery, publishing	47.9	47.1
Chemical industry	54.8	55.6
Production of non-metallic mineral products	71.3	68.8
Smelting and metallurgy	43.5	56.5
Engineering industry	62.1	66.4
Other processing industry and recycling	33.5	38.7
Utilities	25.8	31.9
Trade, and repair and maintenance of motor vehicles and consumer goods	40.9	43.3
Shipping, warehousing, post, and telecommunications	23.9	24.1
Total	34.9	37.9

Source: Central Bureau of Statistics (KSH)

Recently registered enterprises with foreign initerests

Year	Number of enterprises	Initial capital (HUF million)	Of which: foreign investment (HUF million)
1991	5,642	138,752	55,480
1992	4,101	70,407	42,937
1993	4,286	65,853	46,179
1994	4,431	42,231	31,879

1995	3,720	35,499	27,570
1996	4,088	39,838	30,082
Of which:			
Hungarian and foreign	1,876	19,870	10,114
Exclusively foreign	2,212	19,968	19,968

Number of Operating Enterprises, Categorized by Regional Units, as at 31 December 1999

Regional Unit	Total	Of which:			
LLC	Cooperative	Deposit Partnership	Individual Enterprise		
Budapest	237 056	60 319	1 041	57 914	98 856
Pest County	80 788	13 427	438	16 313	48 743
Central Hungary	317 844	73 746	1 479	74 227	147 599
Fejér County	29 402	3 849	239	5 460	18 489
Komárom-Esztergom County	23 637	3 479	125	3 596	15 062
Veszprém County	27 357	3 515	243	3 316	18 862
Central Transdanubia	80 396	10 843	607	12 372	52 413
Győr-Moson-Sopron County	34 749	5 039	369	5 067	22 612
Vas County	17 756	2 607	153	2 190	12 111
Zala County	24 099	2 786	165	3 763	16 151
Western Transdanubia	76 604	10 432	687	11 020	50 874
Baranya County	30 955	4 770	194	6 052	18 254
Somogy County	24 916	2 813	252	3 368	17 306
Tolna County	16 761	2 014	183	2 412	11 521
Southern Transdanubia	72 632	9 607	629	11 832	47 081
Borsod-Abaúj-Zemplén County	38 102	5 063	369	6 915	23 814
Heves County	20 014	2 378	196	2 507	14 227
Nógrád County	11 755	1 322	123	1 621	8 109
Northern Hungary	69 871	8 763	688	11 043	46 150
Hajdú-Bihar County	34 747	4 633	361	6 200	22 046
Jász-Nagykun-Szolnok County	23 567	2 977	227	3 561	16 137
Szabolcs-Szatmár-Bereg County	32 160	3 807	272	5 173	22 104
Northern Plains	90 474	11 417	860	14 934	60 287
Bács-Kiskun County	37 455	5 470	370	6 048	24 573
Békés County	23 046	2 401	286	3 069	16 639

Csongrád County	33 677	4 098	286	6 092	21 809
Southern Plains	94 178	11 969	942	15 209	63 021
Abroad	216	-	-	-	88
Total	802 215	136 777	5 892	150 637	467 513

Source: KSH (Central Bureau of Statistics)

Number of Operating Economic Associations, 1995-1999

Code	Form of Business	1995	1996	
			31 Dec.	
1 Jan.	31 Dec.	1 Jan.	31 Dec.	1 Jan.
11	Economic Entities	88 455	107 589	101 11
113	Limited Liability Companies	85 349	104 166	97 87
114	Companies Limited by Shares	2 903	3 232	3 00
12	Cooperatives	4 879	4 858	4 42
124	Agricultural Cooperatives	1 952	1 919	1 75
13	Other Economic Entities	1 189	1 548	1 47
71, 72	State-owned Companies or Other Economic			
	Organizations Subject to Transform	425	335	19
1, 71, 72	Economic Entities Total	94 948	114 330	107 20
21	Non-incorporated Economic Associations	83 885	111 340	108 12
211	General Partnerships	2 935	3 558	3 41
212	Deposit Partnerships	80 950	107 782	104 70
22	Other Non-incorporated Enterprises	1 077	4 536	3 99
73	Discontinued Form of Business	8 297	7 676	7 35
21, 22, 73	Non-incorporated Partnerships Total	93 259	123 552	119 51
1, 21, 22, 7	Partnerships Total	188 207	237 882	226 71
23	Individual Enterprises	417 587	460 163	498 19
1, 2, 7	Enterprises Total	605 794	698 045	724 91
3	Budgetary Organization and Related Institutions	14 879	14 696	14 69
4	Compulsory Social Security	113	113	11
5	Nonprofit Organizations	46 804	50 601	50 60
9	Other Organizations	303	303	30
	Total	667 893	763 764	790 63

Source: Central Bureau of Statistics (KSH)

Number of Operating Partnerships, by Economic Sectors and Principal Forms of Business, as at 31 December 1999

Code	Economic Sector & Staff Category	Total
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	LLC.	Co. Ltd.	Deposit Partnership	C
A+B	Agriculture, Forestry, and Fisheries	11 769	4 909	
C	Mining	424	316	
D	Processing Industry	40 847	20 871	
E	Electric Power, Gas, Steam and Water Utilities	551	358	
F	Construction Industry	26 515	12 122	
G	Trade and Servicing	96 981	46 665	
H	Accommodation and Catering	12 941	5 301	
I	Shipping, Warehousing, Post, and Telecommunications	11 575	5 628	
J	Financial Activities	2 696	809	
K	Real Estate & Economic Services	101 695	32 473	
M	Education	4 476	864	
N	Health Care & Social Services	9 669	1 572	
O	Other Communal and Civil Services	14 529	4 887	
P+Q	Other Activites	34	2	
A+Q	Total	334 702	136 777	
	Of which employing:			
	500 persons and over	500	176	
	250 - 499 persons	624	287	
	50 - 249 persons	4 625	2 793	
	20 - 49 persons	8 113	6 233	
	10 - 19 persons	12 855	9 636	
	1 - 9 persons	163 258	76 942	
	0 and unknown	144 727	40 710	

Source: Central Bureau of Statistics (KSH)

Number of Registered Economic Associations at Year's End (1991-1998)

Description	1988	1989	1990	1991	1992	1993	1994	1995
11 Economic Entities	919	5 191	19 401	42 695	59 363	75 654	91 229	106 200
113 Limited Liability Companies	450	4 484	18 317	41 204	57 262	72 897	87 957	102 600
114 Companies Limited by Shares	116	307	646	1 072	1 712	2 375	2 896	3 100
12 Cooperatives	919	7 546	7 641	7 766	7 694	8 175	8 252	8 300
124 Agricultural Cooperatives	-	-	-	-	-	-	2 038	2 100
13 Other Economic Entities	-	-	-	-	-	-	1 289	1 600
71, 72 State-owned Companies and Other Economic Associations								

Subject to Transform	2 378	2 400	2 363	2 233	1 733	1 130	821	7
1, 71, 72 Incorporated Partnerships Total	-	-	-	-	-	-	101 591	116 9
21 Non-incorporated Economic Associations	82	1 365	6 207	23 440	42 405	69 793	92 393	111 0
211 General Partnerships	11	203	418	463	1 187	2 492	3 348	3 9
212 Deposit Partnerships	71	1 162	5 789	22 977	41 218	67 301	89 045	107 1
22 Other Non-incorporated Enterprises	-	-	-	-	-	-	16 335	19 9
73 Discontinued Forms of Business	-	-	-	-	-	-	13 618	13 8
21, 22, 73 Non-incorporated Partnerships Total	-	-	-	-	-	-	122 346	144 8
1, 21, 22, 7 Partnerships Total	-	-	-	-	-	-	223 937	261 7
23 Individual Enterprises	290 877	320 619	393 450	510 459	606 207	688 843	778 036	791 4
1, 2, 7 Enterprises Total	-	-	-	-	-	-	1 001 973	1 053 2

Source: Central Bureau of Statistics (KSH)

Number of Registered Economic Associations at Year's End (1991-1998) cont.

Description	1988	1989	1990	1991	1992	1993	
3 Budgetary Organizations and their Institutions	128 500a)	31 200a)	38 300a)	15 915	15 091	14 702	14
4 Compulsory Social Security	-	-	-	-	-	-	
5 Nonprofit Organizations	-	-	-	-	-	-	42
9 Other Organizations	-	-	-	-	-	-	
Total	-	-	-	-	-	-	1 059

a) Including social security and other organizations.

Source: Central Bureau of Statistics (KSH)

Number of Organizations under Bankruptcy, Liquidation, and Final Account Settlement by Form of Business and Number of Staff (as at year's end)*

Code	Description	1988	1999
11	Incorporated Economic Association	17 321	15 993
113	Public Limited Company	16 531	15 240
114	Company Limited by Shares	661	648
12	Cooperative	2 619	2 324
13	Other Changes in Incorporated Companies	132	129
71, 72	State-owned and Other Economic Associations Under the Obligation to Transform	491	386

1, 71, 72	Incorporated Partnerships Total	20 563	18 832
21	Non-incorporated Economic Associations	8 829	8 342
211	General Partnership	429	385
212	Deposit Partnership	8 400	7 957
224, 225	Building Society, Condominium	5	5
73	Discontinued Form of Business	1 895	1 528
731	Economic Working Association	1 486	1 208
21, 22, 73	Non-incorporated Partnerships Total	10 758	9 904
1, 21, 22, 7	Partnerships Total	31 321	28 736
23	Individual Enterprise	-	-
1, 2, 7	Enterprises Total	31 321	28 736, 4
Budgetary and Social Security Organization		-	-
5	Non-profit Organization	62	75
921	ESOP Organization	-	1
	Total	31 383**	28 812**
Of which, employing:			
	500 persons and over	4	8
	250-499 persons	7	20
	50-249 persons	95	176
	20-49 persons	1 775	1 596
	10-19 persons	3 607	3 287
	1-9 persons	4 095	5 249
	0 persons and unknown	21 800	18 476

* Only those falling within the scope of Act IL of 1991.

** Of which 143 and 115 organizations were under bankruptcy proceedings in 1998 and 1999, respectively.

Source: KSH (Central Bureau of Statistics)

Number of Operative Private Enterprises by Economic Sector and Type of Job, as at 31 December 1999

Code	Economic Sector	Total	Of which:		
	Full-time	Part-time	Retired		
A+B	Agriculture, Forestry, and Fisheries	26 434	15 319	7 217	
C	Mining	22	19	2	
D	Processing Industry	41 928	27 480	9 502	
F	Construction Industry	41 227	30 479	8 568	
G	Trade & Servicing	113 531	74 717	25 030	

H	Accommodation and Catering	29 849	18 813	6 403	
I	Shipping, Storage, Post, and Telecommunications	33 808	25 822	6 373	
J	Financial Activities	15 984	9 813	4 817	
K	Real Estate & Economic Services	107 686	42 481	48 135	
M	Education	9 887	3 181	6 032	
N	Health Care & Social Services	11 404	4 122	6 117	
O	Other Communal and Personal Services	35 753	26 484	6 592	
A-O	Total	467 513	278 730	134 788	
	Of which:				
	Those holding entrepreneurial certificates	424 000	268 891	109 310	

Source: Central Bureau of Statistics

Operating Economic Associations by Number of Staff Employed, as at 31 December 1999

Code	Period, Form of Association	0 and unknown	1-9	10-19	20-49	50-249	250 and over	
11, 21	Economic Associations	114 985	156 753	12 095	7 217	3 720	1 044	2
	Of which:							
113	Limited-liability Company	40 710	76 942	9 636	6 233	2 793	463	1
114	Company Limited by Shares	742	904	370	455	811	571	
211	General Partnership	1 861	2 398	88	32	7	-	
212	Deposit Partnership	71 592	76 458	1 989	486	102	10	1
12	Cooperative	2 418	1 293	466	773	873	69	
	Of which:							
124	Agricultural	423	448	182	319	532	28	
13, 22	Partnerships Total	25 538	2 163	81	32	11	1	
7	Economic Associations Under the Obligation to Transform & Discontinued							
	Forms of Business	1 786	3 049	213	91	21	10	
1, 21, 22,	Partnerships Total	144 727	163 258	12 855	8 113	4 625	1 124	3
23	Individual Enterprise	390 015	75 518	1 533	395	49	3	4
1, 2, 7	Enterprises Total	534 742	238 776	14 388	8 508	4 674	1 127	8
3, 4	Budgetary and Social							
	Security Organization	12 592	503	412	658	856	279	
5	Non-profit Organization	57 053	3 796	447	357	221	33	
921	ESOP Organization	256	11	1	2	1	1	
	TOTAL	604 643	243 086	15 248	9 525	5 752	1 440	8

Source: KSH (Central Bureau of Statistics)

Number of Enterprises per 1 000 Inhabitants, as at 31 December 1999

Regional Unit	Registered Enterprise			Operative Enterprise		
Partnership	Individual	Total	Partnership	Individual	Total	
Budapest	91	90	181	75	54	129
Pest county	36	60	96	31	48	79
Central Hungary	71	80	151	60	52	111
Fejér county	29	61	90	26	43	69
Komárom-Esztergom county	31	59	90	28	49	76
Veszprém county	26	75	101	23	50	73
Central Transdanubia	29	65	94	25	47	72
Győr-Moson-Sopron county	31	66	97	29	53	82
Vas county	23	63	87	21	45	**
Zala county	30	83	113	27	55	82
Western Transdanubia	29	70	99	26	51	78
Baranya county	35	66	101	32	45	77
Somogy county	25	95	120	23	52	75
Tolna county	24	68	92	21	47	68
Southern Transdanubia	29	76	105	26	48	74
Borsod-Abaúj-Zemplén county	23	42	64	19	32	52
Heves county	20	53	73	18	44	62
Nógrád county	20	43	63	17	37	54
Northern Hungary	21	45	66	19	36	55
Hajdú-Bihar county	26	51	77	23	41	64
Jász-Nagykun-Szolnok county	20	49	69	18	39	57
Szabolcs-Szatmár-Bereg county	20	48	67	18	39	56
Northern Plains	22	49	71	20	39	59
Bács-Kiskun county	29	60	89	24	46	70
Békés county	19	55	73	16	42	58
Csongrád county	32	70	101	28	52	80
Southern Plains	27	61	88	23	47	70
Total	39	65	104	33	46	79

Source: KSH (Central Bureau of Statistics)

Agriculture

Proportion of agriculture, game management and fishing represented in the national economy

	1990	1992	1993	1994	1995	1996
Active earners	17.0	13.0	9.3	8.5	8.2	7.8
GDP	13.9	10.9	6.6	6.7	7.2	no data
Investment	no data	2.9	3.1	2.9	3.0	3.0
Export	21.2	21.8	19.1	18.5	20.3	18.4
Import	7.1	5.5	5.6	6.3	5.3	5.0

Trends in the number of persons employed in the agricultural, game management and fishing sectors

Year	Active earners in the agricultural sector (1.000 persons)	Share of agriculture represented among the earners (%)	Population per 100 agricultural earners (persons)
1950	2,092.5	51.0	444
1960	1,784.1	37.7	558
1970	1,193.7	24.0	865
1980	988.9	19.5	1,083
1987	890.0	18.2	1,193
1988	860.1	17.8	1,217
1989	837.5	17.4	1,244
1990	813.3	17.0	1,275
1991	709.7	15.2	1,459
1992	552.6	13.0	1,870
1993	406.5	9.3	2,536
1994	350.7	8.5	2,930
1995	330.7	8.2	3, 098
1996	310.7	7.8	3,287

Price Indices for the Purchase of Agricultural Produce

Year	Previous Year= 100.00%	1960= 100.00%	Year	Previous Year= 100.00%	1960= 100.00%
1961	105.1	105.1	1981	107.0	235.3
1962	104.7	110.0	1982	99.7	234.5
1963	100.7	110.8	1983	104.0	243.9
1964	104.3	115.6	1984	106.1	258.8
1965	99.8	115.3	1985	102.4	265.0
1966	110.3	127.2	1986	103.7	274.8
1967	102.0	129.8	1987	104.9	288.3

1968	109.3	141.8	1988	103.6	298.7
1969	100.3	142.3	1989	119.1	355.7
1970	107.6	153.1	1990	128.5	457.1
1971	102.6	157.1	1991	99.1	453.0
1972	102.3	160.7	1992	108.6	491.9
1973	107.9	173.4	1993	118.5	582.9
1974	101.6	176.1	1994	124.9	728.1
1975	100.3	176.7	1995	127.1	925.4
1976	111.2	196.4	1996	128.4	1 188.2
1977	100.0	196.4	1997	113.4	1 347.5
1978	101.6	199.6	1998	103.9	1 400.0
1979	100.6	200.8	1999	100.9	1 412.6
1980	109.5	219.9			

Source: Central Bureau of Statistics (KSH)

Agricultural Production (HUF Millions)

	1996 At 1991 prices	1996	1997	1998
At 1995 prices				
Grains and Legumes	79 170	146 184	177 075	156 767
Industrial Plants	26 612	55 219	41 258	45 228
Potato	16 061	43 230	36 880	38 254
Roughage and Feed Grain	15 244	22 614	21 717	22 368
Vegetables	26 008	51 848	52 055	59 418
Fruits	20 073	47 452	40 945	39 949
Grapes	12 478	22 215	24 391	23 403
Other Plants	15 069	22 081	8 338	-17 436
Plant Production Total	210 715	411 143	402 659	367 953
Cattle	37 686	78 008	77 465	81 105
Swine	54 619	142 220	118 876	126 485
Sheep	3 223	5 658	5 115	5 610
Poultry	50 011	89 645	95 984	102 892
Other Livestock	8 193	14 717	13 074	13 839
Livestock Production Total	153 732	330 248	310 514	329 931
Agricultural Products Total	364 447	741 391	713 173	697 884

Source: KSH (Central Bureau of Statistics)

Principal indices of crop cultivation

Avg. yield of truck crops	1990	1991	1992	1993	1994	1995	1996
Wheat	5,050	5,190	4,070	3,050	4,590	4,160	3,290
Maize	3,990	6,710	~ 3,650	3,500	3,850	4,430	5,620
Sugarbeet y	36,090	37,160	27,190	22,950	31,980	33,950	39,770
Sunflower	1,950	2,070	1,780	1,750	1,600	1,600	1,830
Potatoe	16,920	15,760	16,850	13,310	12,770	15,780	18,210
Per capita grain yield							
(kg/capita)	1,212	1,527	963	828	1,141	1,102	no data
Avg. yield of vegetable							
varieties (kg/ha)							
Cabbage	21,600	26,090	16,610	17,340	14,370	14,130	no data
Onion	20,710	16,380	19,100	13,450	14,680	17,840	no data
Green peas	8,780	8,570	6,010	5,330	9,860	10,010	no data
Tomato	26,660	22,750	19,600	14,640	15,390	13,680	no data
Bell pepper	8,790	12,530	6,980	8,450	8,090	8,090	no data
Per capita vegetable							
yield (kg/capita)	196	193	136	130	138	161	no data
Per capita fruit yield							
(kg/capita)	139	129	111	123	102	67	86
Avg. grape yield (kg/ha)	6,500	5,920	5,020	4,950	5,300	4,820	4,900
Per capita grape yield							
(kg/capita)	83	73	64	59	60	53	55

Trends in animal stocks (thousand heads)

Year	Cattle	Pigs	Sheep	Fowl
1950	2,018	4,782	990	18,181
1955	2,150	6,600	1,690	23,536
1960	1,963	6,388	2,250	26,844
1965	1,919	6,590	2,460	29,209
1970	1,911	7,311	2,316	35,097
1975	1,904	6,953	2,039	38,667
1980	1,918	8,330	3,090	42,764
1981	1,945	8,296	3,140	42,787
1982	1,922	9,035	3,180	45,379
1983	1,907	9,844	2,977	41,267

1984	1,901	9,237	2,832	40,962
1-985	1,766	8,280	2,465	38,376
1986	1,725	8,687	2,334	37,176
1987	1,664	8,216	2,336	36,222
1988	1,690	8,327	2,216	35,607
1989	1,598	7,660	2,069	34,190
1990	1,571	8,000	1,865	31,121
1991	1,420	5,993	1,808	28,912
1992	1,159	5,364	1,752	35,535
1993	999	5,001	1,252	26,542
1994	910	4,356	947	29,847
1995	928	5,032	977	27,549
1996	909	5,289	872	no data

Agricultural exports

Agricultural exports				
	1994		1995	
thousand tonnes	HUF billion	thousand tonnes	HUF billion	
Beef cattle	27.5	4.6	25.5	5.5
Sheep	20.4	5.4	19.3	6.3
Raw meat	66.8	17.8	73.4	24.5
Fowl meat	81.0	31.3	107.7	44.0
Feather and down	3.2	5.9	2.5	4.5
Vegetable varieties	163.0	10.7	182.4	14.5
Fruits	204.2	9.5	133.6	8.1
Wheat	759.0	8.9	2,764.8	42.3
Maize	180.6	7.8	601.0	13.0
Oleaginous seeds	318.5	10.7	326.8	13.3
Vegetable oil	114.7	8.5	91.4	9.9
Sausage and salami	8.2	6.4	9.3	9.2
Other prepared and preserved meat	27.5	7.6	23.6	9.1
Vegetable and fruit preserves	168.7	15.4	178.0	20.5
Fruit and vegetable juices	192.4	15.2	231.7	16.4
Grape wine	103.5	9.8	127.4	15.8

Agricultural imports

	1994		1995	
thousand tonnes	HUF billion	thousand tonnes	HUF billion	
Raw meat	69.1	10.0	45.9	8.7
Tropical fruits	157.1	4.8	139.2	4.9
Raw coffee	40.4	7.6	27.2	10.9
Maize	6.4	1.1	2.4	0.7
Oleaginous seeds	95.0	3.2	67.9	2.9
Vegetable oil	49.6	3.5	56.1	5.8
Fruit and vegetable juices	23.0	2.1	22.2	3.5
Tobacco	16.1	5.9	13.0	5.6

Transport

Modernization of Hungary's Transport Network

The process of transition to a market economy in the Central and Eastern European region and the world-wide globalization of production and trade require connections between the transport networks throughout the entire continent. As a country in transition and situated in a nodal point of the Pan-European Corridors, Hungary is making significant efforts in order to restructure its transport system. As much as 1.5 to 1.7% of the country's GDP is envisaged to be devoted in the long term to transport infrastructure development. Due to the industrial and commercial restructuring of transportation, road transport has taken over the first place from railways. In 1999 a new ten-year motorway development plan was adopted by the Government of Hungary in which the experience obtained so far in the field of private capital investment has also been considered. In 2000, the dynamic performance of the Hungarian economy resulted in continuous development. GDP growth in the first semester exceeded 6% Although the influx of foreign direct investment (FDI) was slower than in the previous year, the rate of FDI in Hungary was USD 2,058 per capita at the end of 1999, which is the highest among the Central and Eastern European countries. Hungary is followed by the Czech Republic with an FDI of USD 1,359 per capita.

Inflation for the year 2000 was originally envisaged at six percent, however, it could reach 8 or 9% by late this year due to increased gasoline prices, which keep the whole world economy under pressure.

In the first half of the year, export/import turnover realized dynamic growth, though highly processed goods (making up more than 20% of the engineering industry's exports) also had a considerable impact on transport demands. The output of goods transport increased by 2.9% in the first half of 2000. At the same time, that of public transport increased by 1.7%.

Changes in the Transport Sector

Under the impact of the demands of the industrial, agricultural and commercial, as well as the service sectors, the share of road transport in the modal division continued to increase to the disadvantage of railway transport and freight transport by inland waterways. At the same time, the output of air transport also underwent a dramatic increase.

(Distribution of the modes of freight transportation in 1999 [freight tons/km]: road 49.9%, railway

29.4%, pipeline 17%, inland waterways 3.7%.)

During the entire transition period of 1998, passenger transport output in terms of passenger kilometers dropped by 7.2% relative to 1990. The capacity of freight transport decreased by 22.4% between 1990 and 1998 in terms of ton kilometers.

In addition to a decrease in the output of public passenger transport, the number of passenger cars and the share of transport increased significantly, even though a rapid rise in operating costs seriously affected the average running performance of the car fleet. A fall in public transport demand by about 10% within seven years is closely related to increased motorization and a major tariff increase in recent years in respect of solvency.

The number of accidents involving personal injury in Hungary decreased by 27.5% between 1990 and 1998, while the number of passenger cars increased by 14%.

Figures 1 and 2 illustrate how the social and economic transformations that started in 1989 effected major changes within the individual transport sectors, as well as the related impacts that may further intensify in the long term.

Essential factors in this forecast are that Hungary plans to join the European Union in 2005, the population will decrease further, and the GDP will exhibit annual growth of about 3.8 to 5.5% on average in the period of 1996 to 2015 – any lower value for bottom limits was rejected.^{i*} In the field of transport Hungary is becoming more similar to the present EU members, but the share of railway haulage and public transport output will remain above the EU average.

Among the transport sector markets, the air transport market is undergoing dramatic development, followed by road transport, while railway transport and inland water navigation are actually stagnating.

Forecasts show that passenger transport in 2015 will exceed 1990 output figures by 27 to 39%. In 2005, global freight transport is expected to reach 1990 levels, then in 2015 to exceed it by 4% or even as much as 25%.

Change in the Output of Passenger Transport in a Breakdown by Transport Modes in Hungary (1980 to 2015)

Source: Central Bureau of Statistics (KSH)

Forecast: KTI Rt. considering NEA-INRETS-IWW forecasts
(Billion p-km)

Change in the Output of Freight Transport in a Breakdown by Transport Modes in Hungary (1980 to 2015)

Source: Central Bureau of Statistics (KSH)

Forecast: KTI Rt. considering NEA-INRETS-IWW forecasts
(Billion p-km)

There is a substantial difference between the individual sub-sectors, thus, road freight transport is expected to realize a development of 71 to 79% in the period of 1990 to 2015, while road passenger transport 42 to 52%. The output of railway passenger transport will essentially remain unaltered in the period of 1990 to 2015, however, a drop in output by 35 to 50% relative to 1990 is foreseeable in freight transport. Regardless, this would mean an increase of 15 to 31% compared to 2000.

The Transformation of Transport Projects in Hungary

Forecast data show that the development of the transport system is justified by the reshuffling of the proportions represented by the modes and a technically outdated vehicle fleet and rolling stock rather than by a shortage in total capacity. The density of the Hungarian railway network is much above the EU average, and the road network as well to some extent, however, the motorway network density is less than one-half of the EU average.

Updating the country's railway backbone network and vehicle fleet, as well as the modernization of its expressway network, and the development and maintenance of the national road network in compliance with the TINA-network present major challenges for Hungary.

Given a stable and dynamically developing economy, development could be speeded up by the

involvement of private capital in addition to non-refundable support. In such situations, however, the escalation of motorway toll rates should be prevented because they could divert most of the traffic from the motorways. This should be a considerable viewpoint even according to the EU concept known as “the user should pay”. (For the time being there is no motorway toll applied in more than the half of EU member states.)

Hungarian experience gained from the M1 Motorway, operated under concession, reveals that motorway investments should not be realized in Hungary entirely out of private capital. Due to the high toll rate, about 70% of the transiting freight traffic did not use the motorway, and the proportion of passenger cars was also quite low. Nevertheless, the construction of the concession part of the M1 Motorway was a decisive measure, since Hungary’s capital is the first one in Eastern Europe that is accessible via a motorway.

Another impact on transport demands is attributed to the fact that the per capita GDP in Budapest and the central region is 80% higher than country average, and that the differences between the regions in terms of development failed to be reduced during the first semester of 2000.

The Government’s so-called “Széchenyi Plan” could contribute to a reduction of the regional differences.

Development Priorities of Individual Sub-Sectors in Hungary

Road

The total length of the Hungarian road network is 158,000 km, of which 30,130 kilometers belong to the national network. The rest belongs to local governments, private entities, and institutions serving local interests. Within the national network 6,740 km are categorized as major trunk roads. Ninety-seven percent of the national roads are paved, while in the case of local and municipal roads the paved proportion is 32%. The density of the national road network is 320 km/1,000 km². This may be considered low in comparison with the average for the ECMT countries (557 km/1,000 km²). In its bid to develop the expressway network, the Government adopted a 10-year construction plan (Government. Decree No. 2117/1999) to add 600 km of expressway. Main objectives of this network development are the following:

- The improvement of international and domestic network connections and the satisfaction of demands;
- Assuring a supply of road infrastructure that would decrease territorial inequalities and foster uniform regional development;
- The improvement of transport conditions (reduction of the number of accidents, time expenditure, and operating costs);
- The reduction of the harmful effects on the environment and nature;
- Increasing the efficiency of transport.

Railway Transport

The total length of the Hungarian railway network is 7,940 km, in which trunk lines account for 3,100 km, and the density is some 22% higher than the European average. However, the European average for electrified lines is 54% vice 28% in Hungary. Speeds of 100 km/h or more are permitted on 36% of the total network. Speed restrictions are imposed on 38% of the trace. The permitted load does not reach 200 kN in 30% of the total network.

– Development of a Transparent Structure

An important target of the transformation is to clearly differentiate responsibility and authority, and create clear and transparent relations, which may presume some changes in organizational structure, as well as outline the role and responsibility of the State and MÁV Rt. (Hungarian State Railways Plc.). A straightforward definition of tasks shall also facilitate more consistent control.

– The stabilization of the financial situation, the development of a more efficient financing system

subject to transparent and sustainable performance.

A condition indispensable for a transparent structure is to amend the financing system and adapt it to the performance.

Inland Water Transport

The length of navigable waterways is 1,620 km, and an additional 530 km is suitable for small vessel navigation. Navigation on the Danube is expected to grow somewhat faster than the average typical to river transport, which may also be due to increased traffic after the opening of the Main-Danube canal.

In its present state, the river is not always adequate for unhindered navigation. The water is insufficiently deep at a few shoals in the Danube during low water, and the number of ports in proportion to the length of the river is rather low. (There is one port for every 100 km of fairway, while this figure in Europe is one port/30-40 km.)

Inland water transport presently accounts for less than 5% in freight transport output. Shipping space is 52% utilized in the Hungarian cargo vessel fleet, thus there is a capacity surplus in most of the national public ports, which are operated with outdated technology. At the same time, the distance between ports is several times that of the Western European average.

As a consequence of its technically outdated nature and because of a shortage in (self-propelled) vessels that are efficiently operated on Western canal systems, Hungarian inland water freight transport is presently unable to take advantage of both the Western European orientation of the Hungarian economy and the opportunities offered by the Danube-Rhine-Main system.

Out of about 200 vessels in the Hungarian inland water fleet suitable for freight transport, no more than seven can efficiently be used on the Rhine or for canal navigation.

The Hungarian inland water navigation system – considering capacity surplus and technical obsolescence – cannot avoid restructuring according to the EU's pattern.

Air Transport

While Hungarian passenger transport business decreased by about 7% overall during the period from 1990 to 1997, Hungarian air transport output (in terms of passenger-km) increased by 78%.

(In the same period the increase of air transport performance amounted to 49% in the EU, 28% in the USA.) Growth in passenger traffic at Budapest Ferihegy International Airport reached 56%, while freight traffic increased by 37% from 1990 to 1998. Traffic flow in the Hungarian airspace and the number of aviation operations increased by 220%. The air transport market is growing steadily in terms of dimension and its proportion within the distribution of transportation modes.

In respect of airports, Hungary's geographic advantages and possibilities can be exploited first of all by developing Ferihegy Airport's collecting and distributing character. As part of basic infrastructure, it is reasonable to develop Ferihegy International Airport Budapest in the medium term as a State-owned enterprise, however, a BOTⁱⁱ* form of operation under concession may be justified if it is to be developed in corporation in the long term – following several years of EU membership. In both situations, close attention should be paid to protect LRI and government interests regarding the benefits taken from Terminal 2B.

The development of Ferihegy Airport may expand the possibilities of other airports, as well, and the possible future development of regional airports may in turn contribute to increased traffic at Ferihegy Airport. It is an interest of economic policy, country development, and transport policy that the two key regional airports - which could possibly be developed at the lowest cost - namely Debrecen and Sármellék can be connected with the European air transport network at the earliest possible time, in compliance with the airport density concept adopted by the European Union (airports about 200 km from each other).

Community Support

Hungary is one of the ten Central European candidates for membership in the European Union. Recognizing the objective that a successful integration of the candidates into the EU will largely depend on the development and modernization of the transport network, and Hungary is mobilizing ISPA for Hungarian transport projects according to ISPA, as the main EU pre-accession instrument for the development and modernization of the transport network. Due to the geographic location of Hungary, its transit position is confirmed by three Helsinki corridors and three additional connected corridor branches. Hungary's medium-term infrastructural development plans focus on the elements of the Transport Infrastructure Needs Assessment (TINA) network. For railways, the upgrade of the trunk network, while for national roads the implementation of the expressway development plan is the priority. It is also important to strengthen the existing network of national roads in respect of Community standards from the perspective of EU accession. For the inland navigation sector, the main objectives are the improvement of navigation conditions on the Danube section upstream of Budapest, and the development of a suitable port network. Regarding civil aviation, top priority is given to the further development of the Ferihegy International Airport Budapest, though the improvement of regional airports providing direct access to European hubs should be started at the same time. Multi-mode services are planned to continue their development using a network of ten logistic centers.

Recently published by the Commission, the Regular Report on Hungary 2000 gives a positive assessment of Hungary's progress over the past 12 months and also reflects on the overall level of preparedness. With reference to the transport sector, Hungary has approved the final report on (TINA) in October 1999, which should form the basis for extending the Trans European Networks to Hungary. In November 2000, the Commission approved 3 rail improvement projects, and rehabilitation projects were allocated EUR 44 million this year. Regarding the Government's Széchenyi Plan for economic development which follows the motorway construction program, Hungary is in high hopes of speeding up this motorway construction program. Giving priority to the improvement of existing roads is also necessary within the framework of ISPA.

Ministry of Transport

Road and Railway Networks in EU Member States and in Hungary

Country	Length of of Expressways* (km)	Expressways v. population number (km/10,000 cap.)	Expressways v. surface area (km/1,000 km ²)	Roads° v. surface area (km/1,000 km ²)	Railways** v. surface areas (km/1,000 km ²)
B	1,679	16.5	55.0	4,725	111.8
DK	855	16.1	19.8	1,664	51.7
D	11,309	13.7	31.7	1,733	107.7
EL	470	4.5	3.6	865	18.9
E	7,750	19.7	15.3	321	24.3
F	8,864	15.1	16.2	1,773	58.3
IRL	94	2.5	1.3	1,302	27.7
I	6,445	11.2	21.4	1,018	53.2
L	118	29.5	45.3	2,038	105.4
NL	2,360	15.1	56.9	3,060	67.6
A	1,613	19.9	19.2	1,546	67.2
P	797	8.1	8.6	1,287	30.1

FIN	444	8.7	1.3	300	17.4
S	1,423	16.2	3.2	307	24.8
UK	3,412	5.8	14.0	1,610	69.0
EU15	47,633	12.7	14.7	1,080	47.6
H***	562	5.6	6.0	1172	76,3

*1997. **1998. ***January 2000. °Total: Motorways, national roads, state roads, and municipal roads.

Source: EUROSTAT, KTI Rt.

Transport Investments Versus GDP

Description	1995	1996	1997	1998
Transport Investment* (HUF billion)	91.9	102.4	147.8	170.0
GDP* (HUF billion)	5,614	6,894	8,541	10,100
Transport investment / GDP (%)	1.6	1.5	1.7	1.7

*At current price.

A Summary of the Duties and Expected Costs of the Hungarian Transport Network in Relation to the TINA Project

Infrastructure lines	Length	Cost estimate (EUR)
Railways	2,727 km	4,030.30 million
Of which: Backbone	1,619 km	2,914.80 million
Of which: Additional	1,108 km	1,115.50 million
Roads	1,448 km	4,632.00 million
Of which: Backbone	1,181 km	3,832.00 million
Of which: Additional	267 km	800.00 million
Inland Waterways	417 km	400.00 million
Infrastructure nodes	Number	Cost estimate
Airports	1	286.000 million
River ports	6	92.00 million
Terminals	19	726.00 million
Total	-	10,166.30 million

Trade

Foreign trade balance

Year	(HUF billion)	USD million
1983	10.8	271.5

1984	25.5	513.2
1985	15.5	420.8
1986	-18.8	-413.6
1987	-11.3	-249.3
1988	31.4	583.3
1989	47.8	786.1
1990	58.7	945.6
1991	-91.4	-1,195.2
1992	-34.9	-373.8
1993	-342.6	-3,623.4
1994	-408.3	-3,853.0
1995	-314.4	-2,599.3
1996	-466.4	-3,064.2

Foreign wide turnover (HUF million, at current prices)

Year	Import	Export
1980	283,489	263,225
1981	300,173	284,600
1982	300,046	301,609
1983	327,579	338,383
1984	353,569	379,044
1985	3,974,748	410,297
1986	425,005	406,204
1987	443,956	432,609
1988	460,894	492,326
1989	523,507	571,323
1990	544,921	603,636
1991	855,643	764,274
1992	878,503	843,566
1993	1,162,491	819,915
1994	1,537,002	1,128,695
1995	1,936,387	1,621,991
1996	2,468,050	2,001,654

Major foreign trade partners of Hungary (share of turnover,%)

Country.	Import						Exp		
1980	1986	1989	1990	1991	1992	1980	1986	1989	1990
Soviet Union	28.9	30.7	22.1	19.1	15.3	16.9	31.1	35.0	25.1
FRG	12.2	12.8	16.0	17.4	21.4	23.5	9.8	8.4	11.9
Austria	5.5	6.3	8.6	10.0	13.3	14.4	4.2	4.7	6.5
GDR	7.2	6.9	6.2	5.9	-	-	7.2	6.6	5.4
Czech and Slovak Republics	5.4	5.3	5.2	4.7	4.1	4.3	6.4	6.1	5.1
Italy	3.3	2.8	3.4	4.1	7.2	6.3	4.6	3.2	4.7
Yugoslavia	2.6	2.7	3.5	2.3	1.3	1.3	3.0	3.1	4.1
USA	2.6	1.9	2.5	2.6	2.6	2.9	1.4	2.4	3.3
Poland	3.8	4.9	3.3	2.4	1.9	1.6	4.1	4.4	3.2
France	2.3	1.9	2.2	2.1	2.7	3.1	1.8	1.6	2.4
Great Britain	2.2	1.8	2.2	2.1	2.5	2.9	1.1	1.2	1.8
Switzerland	2.8	2.1	2.9	3.1	3.4	2.9	1.3	1.6	1.7
Romania	2.2	2.0	1.6	0.9	0.6	0.6	2.6	2.1	1.5
The Netherlands	1.5	1.5	2.1	2.1	2.7	3.0	1.2	1.1	1.3
Sweden	1.3	1.1	1.3	1.5	1.5	1.9	1.0	0.9	1.3
Japan	1.5	1.5	1.6	2.1	2.7	2.4	0.2	0.5	1.2
Belgium and Luxembourg	0.9	1.3	1.6	1.7	1.4	2.0	0.4	0.7	0.8
India	0.3	0.5	0.8	0.7	0.7	0.3	0.4	0.3	0.8
Turkey	0.2	0.1	0.3	0.3	0.3	0.2	1.1	0.5	1.0
Finland	1.1	0.6	0.8	0.7	0.7	1.0	0.7	0.5	1.0

Hungary's major trade partners in the mid-1990s (share, %)

Country	Import		Export	
1995	1996	1995	1996	
Germany	23.4	23.6	28.6	29.0
Austria	10.7	9.5	10.1	10.6
Russia	11.8	12.5	6.4	5.9
Italy	7.9	8.1	8.5	8.0
France	3.9	4.2	4.0	3.7
USA	3.1	3.5	3.2	3.5
Great Britain	3.1	3.3	3.0	2.9
The Netherlands	3.1	3.2	2.9	2.7
The Czech Rep.	2.4	3.0	1.6	2.2
Belgium	2.5	2.4	2.0	2.1

Poland	1.6	1.8	2.6	3.0
Slovakia	2.4	2.4	1.7	1.9
Ukraine	2.3	1.8	2.5	1.7
Switzerland	2.5	2.1	1.4	1.3
Romania	0.8	0.9	2.8	2.1
Japan	2.2	2.2	0.6	0.8
Sweden	2.0	1.7	1.0	1.0
Slovenia	0.6	0.5	2.0	1.7
Spain	1.5	1.0	0.9	1.1
Finland	1.4	1.2	0.4	0.5
Croatia	0.4	0.3	1.3	1.5
Brazil	0.9	1.1	0.2	0.2
China	0.8	1.2	0.2	0.1
Denmark	0.8	0.7	0.4	0.4
Republic of Korea	1.0	0.9	0.1	0.1
Countries in total	93.1	93.1	88.4	88.0

Retail business chains

Type	Number of businesses						
1990	1991	1992	1993	1994	1995	1996	
Department stores	116	553	707	788	704	675	616
Supermarkets	25,065	37,687	43,342	49,999	54,901	58,590	59,743
Clothing stores	13,328	20,280	23,172	26,333	29,504	32,390	34,031
Drug stores	1,541	3,478	4,343	5,245	5,696	6,241	6,477
Hardware stores	5,500	10,391	12,847	15,791	18,256	20,246	21,729
Book and music stores	4,791	7,673	9,545	11,511	13,227	14,648	15,556
Other specialized stores	20,371	26,373	29,630	32,094	33,119	34,214	33,966
Industrial sites and filling stations	5,082	4,550	5,125	5,903	6,399	6,795	7,356
Pharmacies	1,486	1,597	1,737	1,866	2,015	2,024	-
Stores in total	77,280	112,582	130,448	149,530	163,821	175,823	179,474
Restaurants and hotel catering	5,713	6,810	7,813	8,730	9,440	10,137	10,484
Confectionary, liquor stores, etc.	20,319	29,727	33,689	36,880	39,634	41,740	42,469
Company catering	3,320	4,599	4,747	4,909	4,966	5,057	5,222
Hot cels and accommodation in total	29,352	41,136	46,249	50,019	54,040	56,936	58,175
Total	106,632	153,718	176,696	200,049	217,861	232,757	237,649

Consumer Price Indices

Year	Previous Year=100.0%	1951=100.0%
1997	118.33	333.1
1998	114.33	809.7
1999	110.04	190.7

Source: KSH (Central Bureau of Statistics)

Consumer Price Index by Major Product and Service Groups

Product or Service	1997	1998	1999	1999 as a percentage of figure for 1992	V
previous year= 100.0					
Meat & fish products	119.3	113.3	92.7	285.5	
Pork	122.7	110.1	82.9	231.2	
Beef and veal	106.7	113.7	104.3	342.0	
Poultry	123.1	108.5	96.6	286.3	
Salami. cured sausages & ham	117.1	119.2	98.7	340.7	
Bologna. sausages & wurst	116.1	119.4	92.6	308.6	
Milk. dairy products & eggs	126.3	113.	105.5	373.0	
Eggs	123.5	100.1	90.1	238.8	
Milk	128.7	113.9	107.2	395.9	
Cheese	128.5	115.6	109.3	418.7	
Fats	115.8	121.9	106.8	356.9	
Butter & butter spreads	128.6	121.0	106.8	356.9	
Lard	120.7	143.7	74.8	431.1	
Bacon	115.9	124.6	91.4	492.1	
Vegetable oil	112.4	113.8	110.4	367.1	
Margarine	114.4	114.3	105.6	358.0	
Cereals & sweets	115.2	108.0	106.7	314.2	
Flour & meal	112.4	90.8	91.7	231.7	
Bread	116.7	106.2	102.9	313.7	
Sugar	113.1	108.6	110.0	283.4	
Chocolate & cocoa	112.2	107.7	110.7	277.6	
Fruits & vegetables	114.1	123.0	101.7	343.8	
Potatoes	90.1	183.0	100.8	357.1	
Fresh vegetables	129.4	122.5	95.7	395.0	
Fresh local and tropical fruits	111.4	108.2	107.7	312.7	
Vegetable & fruit juices & syrups	111.9	108.3	105.6	285.1	

Spices & other foods	114.0	114.0	109.0	368.1	
Eating out	117.5	116.3	109.6	384.8	
Restaurant and non-prepaid meals	119.4	117.2	110.6	405.5	
Workplace and prepaid meals	116.4	116.4	108.7	411.3	
School meals	117.9	115.9	110.9	348.9	
Pre-school meals	117.9	116.1	111.0	367.5	
Buffet goods	117.0	115.4	109.2	344.3	
Coffee, tea & soft drinks	112.4	116.2	107.5	380.9	
Coffee (store-bought)	108.7	117.4	105.3	452.7	
Tea	117.9	116.1	107.2	359.5	
Alcohol-free soft drinks	115.3	114.8	109.0	331.6	
Foods	117.5	114.4	102.9	339.2	
Alcoholic beverages	118.7	113.4	109.6	331.6	
Wine	117.2	113.4	108.6	294.2	
Beer	118.6	112.8	109.5	288.3	
Spirits	119.2	114.2	110.1	319.3	
Tobacco products	119.3	119.9	116.2	377.5	
Alcoholic beverages & tobacco	118.9	115.3	111.5	320.9	
Clothing articles	118.7	114.1	110.6	306.3	
Durable household goods	113.7	109.7	109.1	250.6	
Furniture	118.0	111.9	109.7	307.3	
Refrigerator & freezer	112.9	113.0	112.1	242.6	
Vehicles	105.5	108.0	105.4	230.0	
Car (new)	102.8	107.2	104.4	215.9	
Durable cultural goods	106.7	105.5	103.8	183.6	
Television	105.3	103.9	101.6	154.6	
VCR, tape deck & turntable	103.8	104.	102.7	188.5	
Durable consumer items	108.5	108.1	106.6	229.3	
Coal	115.9	113.6	110.8	279.7	
Coal-bricks and coke	118.8	111.3	109.5	308.8	
Firewood	109.8	104.6	110.4	272.1	
Heating oil	120.2	109.9	117.3	1001.3	
District heating and hot water supply	129.2	116.5	106.0	361.7	
Electricity	133.0	121.9	115.5	516.1	
Piped gas	133.1	119.8	101.8	396.7	
Bottle gas	136.3	118.1	112.0	582.0	

Household energy	129.9	117.9	109.4	447.6	
Home improvement & maintenance items	112.8	110.9	108.8	264.7	
Household goods	111.7	108.6	108.2	274.0	
Washing detergents	108.3	106.6	109.3	277.2	
Cosmetics & hygiene items	118.6	114.4	123.2	563.5	
Cosmetics	115.5	114.5	112.9	379.1	
Medicines & therapeutic goods	122.4	114.0	132.9	901.5	
Vehicle parts & fuel	117.7	109.4	117.4	297.4	
Vehicle parts	112.8	108.3	108.0	260.1	
Vehicle fuel	118.5	109.6	118.7	303.3	
Cultural items	116.4	111.6	108.8	394.4	
Newspapers & magazines	117.3	114.4	114.1	462.9	
Books	119.1	113.9	105.9	391.6	
Textbooks	125.2	113.3	106.8	2574.9	
Teaching articles & stationery	113.9	105.8	104.7	272.3	
Flowers & gift items	113.0	109.8	108.2	268.2	
Other items & fuels	116.1	110.7	114.7	341.6	
Clothing repair, tailoring & rental	119.4	116.7	113.0	340.6	
Rent & accommodation services	118.8	115.7	111.4	341.4	
Rent	116.2	116.9	113.8	391.9	
Privately owned homes	116.0	113.2	109.9	289.7	
Common cost of condominiums	122.0	119.4	114.6	414.7	
House repair & maintenance	119.2	115.5	111.0	315.9	
Water fee	122.9	119.4	114.6	414.7	
Sewerage fee	126.7	121.4	116.2	545.1	
Cleaning & laundry	115.8	114.3	110.1	323.7	
Cosmetic & hygiene services	120.9	119.0	117.2	450.4	
Transportation services	125.9	115.4	115.4	424.7	
Vehicle repair & maintenance	125.6	116.9	117.0	488.6	
Local public transport	133.3	114.7	117.0	453.0	
Taxi	121.4	113.9	116.7	421.6	
Commuting to work or school	123.2	115.4	113.6	336.0	
Travel to other remote destinations	121.2	115.0	111.9	306.9	
Communications	118.9	121.3	126.6	499.3	
Telephone	119.0	121.3	126.6	499.3	
Cultural and Recreational Services	110.8	111.2	116.7	365.2	

Educational Services	111.5	113.6	112.6	408.1
Theater & Concerts	119.3	118.1	116.5	687.4
Cinema	126.1	119.8	116.3	488.9
Television Subscription	101.3	100.0	119.6	254.2
Gambling & Membership Dues	119.3	112.4	114.2	438.9
Holiday Services	119.6	119.0	114.9	334.7
Other Services	120.8	117.3	110.0	367.4
Services	119.2	116.2	114.8	378.2
Total	118.3	114.3	110.0	342.9

Source: KSH (Central Bureau of Statistics)

Average Consumer Prices (HUF)

Product or Service	1998	1999	2000
January			
Foods			
Pork medallions, with bone, 1 kg	739	547	601
Leg of pork without bone and chops, 1 kg	820	593	656
Roast, with bone, 1 kg	572	621	635
Whole chicken, 1 kg	447	435	427
Gyulai dry sausage, 1 kg	1 370	1 460	1 490
Salami, 1 kg	2 120	2 340	2 380
Pork bologna, 1kg	428	413	420
Eggs, ten ^{a)}	201	159	211
Pasteurized milk, 2.8% fat content, 1 liter	90	96	108
Port Salut cheese, sliced and packed, 1 kg	893	972	1 120
Sour cream, 20% fat content, in 0.2 l plastic container, each	57	60	**
Tea butter, 80% fat content, 0.1 kg, each	79	91	98
Lard, 1 kg	360	279	190
Bacon, smoked, 1 kg	528	560	506
Sunflower oil, 1 liter	235	275	273
Margarine enriched with milk, in 250 g container	102	119	115
Fine flour, 1 kg	61	50	57
Hulled and polished rice, 1 kg	148	171	179
Home-style bread, 1 kg	107	111	121
Buns, 52-56 g, 10 pcs.	94	94	102
Dry pasta lozenges, made with 4 eggs, 0.5 kg	134	138	144
Standard granulated sugar, 1 kg	118	134	139

Szerencsi milk chocolate, 100 g, 1 bar	125	146	163
Potatoes, 1 kg ^{a)}	48	65	53
Onions, 1 kg ^{a)}	106	69	70
Cabbage, 1kg ^{a)}	44	54	55
Apples, 1 kg ^{a)}	87	98	121
Oranges, 1 kg	87	98	121
Canned green peas, tender, dry weight 560 g (5/4), 1 pc.	139	147	139
Table salt, refined, 1 kg	46	47	49
Omnia roasted coffee, 250-g package	436	528	492
Alcoholic beverages and tobacco products ^{b)}			
White table wine, 1liter, bottle	187	189	197
Non-imported beer, pils, 10.5 B, 0.5 liter, bottle	70	80	87
Generic rum or palinka, 0.2 liter, bottle	274	294	308
Sopianae cigarettes, multifilter, short, 20 pcs., package	157	178	212
Other consumables and fuels			
350 grade flue-dust-portland cement, No. 10, 100 kg	1 360	1 550	1 770
Small, solid masonry bricks, from supply depot, 1 000 pcs.	25 650	27 380	28 710
Synthetic detergent powder, 1 kg, box	390	98	426
Automotive gasoline, 95-octane, 1 liter	158	165	211
Household energy carriers			
Firewood, batched and sawed, 100 kg	821	867	1 000
Electric power, 10 kWh, daytime	176 ^{c)}	206 ^{c)}	222 ^{c)}
10 kWh, nighttime	82 ^{c)}	97 ^{c)}	103 ^{c)}
Natural gas, piped, 10 m3	317 ^{c)}	319 ^{c)}	311
Propane gas, 11.5-kg cylinder	1 460	1 650	1 850
Services			
Monthly rent of fully serviced local-government home, m ²	72	80	93
Monthly common cost of fully serviced condominium, 50 m ²	4 390	4 950	5 590
Water fee, m ³	109 ^{c)}	124 ^{c)}	139 ^{c)}
Of which: Budapest	76 ^{c)}	86 ^{c)}	102 ^{c)}
Sewer fee, m ³	84 ^{c)}	97 ^{c)}	111 ^{c)}
Local public transport fee, ticket, pc.			
Budapest, tram ^{d)} , bus	70	90	92
Debrecen, tram	60	70	74
bus	70	80	84
Miskolc, tram, bus	65	75	80
Szeged, tram, bus	65	75	79
Full-priced ticket			

bus, 15.1-20 km, pc.	146	164	172
train, second class, 200 km, pc.	1 140	1 310	1 390
Standard-sized			
letter abroad (international), up to 20 g, pc.	30	32	34
letter, domestic (local), up to 20 g, pc.	23	27	29
postcard, domestic (long-distance), pc.	24	27	28
Television operation fee, month	530	640 ^{e)}	640

^{a)} Store and market combined. ^{b)} Store prices. ^{c)} Price billed in March. ^{d)} District train, metro, and electric bus included. ^{e)} Price billed in February.

Source: Central Bureau of Statistics (KSH)

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Hungary's space activities are supervised by the minister of transport, communication and water management. The space policy making body is the interdepartmental Hungarian Space Board, headed by political secretary of state. The managing unit is the Hungarian Space Office (HSO), supported by the Scientific Council on Space in nearly 30 institutes (teams in research institutes, university departments, etc.) with a personnel of about 300 scientists and engineers.

The HSO was founded in 1992. Recently four main research fields have emerged for all Hungarian space activities, these are: Space-Earth systems, space physics, space biology, and space technology. The main tasks of the Hungarian Space Office are: to co-ordinate the applications of scientific results in various fields of space activity; to take part in international cooperation; to preserve, maintain and develop the intellectual and technical value of Hungary's space research and application potential; to represent Hungary in international space related organizations; to promote space-related undergraduate and postgraduate education; public relations activities through publications, lectures and conferences.

The international relations of Hungary's space activities involve two main areas, the European Space Agency (ESA) and NASA. We have signed a general cooperation agreement with ESA, we are member of its PRODEX scientific program and have recently begun negotiations on accession to the ESA Convention as an associate member. We are also preparing a general agreement with NASA. Beyond these two fields, we are collaborating with Russia, the Ukraine, India, Poland, and Romania.

The emphasis within Hungary's space activity is shifting towards the practical applications of the results. The most important fields are the agricultural, environmental and urban planning applications of satellite remote sensing, space meteorology, materials sciences, and telecommunications.

The most important ESA project in which Hungarian scientists and engineers are taking part is the Rosetta comet probe, to be launched in 2003. We are making efforts to send up some instrumentation and participate in experiments on board of the International Space Station (ISS). Some particular equipment to be used on board the ISS are the Pille thermoluminescent dosimeter and a space furnace called the Universal Multizone Crystallizer. Hungary participates in life science and materials science experiments as well.

The Past Two Years of Hungarian Tourism

The years 1999 and 2000 were milestones in the development of Hungarian tourism. Not that the

macro-economic indicators were so exceptional, but rather because quite a number of seminal processes started. Fitting the pieces of these developments together may easily lead us to the conclusion that Hungarian tourism was actually 'reborn'.

The year 1999 gave us a rough start; the Kosovo bombings had a paralyzing impact on tourism from the first month of the year. It was at this time that the leaders of the ruling party, the young and dynamic Fidesz Government (literally: the Young Democrats) called for a change in tourism, since the results of the previous years showed a very limited increase in practical terms. This could be seen as a direct consequence of the fact that since 1998 the new governing Coalition devoted far greater importance to tourism than any of its predecessors. This is neatly exemplified by the establishment of the Parliament Committee for Tourism (with two subcommittees: spas and palaces). It must be mentioned here that new leaders were promoted to senior roles in two important positions – the Deputy State Secretary for Tourism, and the Head of Hungarian Tourism Co. Ltd.

Why is there an urge to say that tourism as an independent branch lived its renaissance in this period? The word renaissance literally means rebirth. Now this only comes about at specific times under the appropriate circumstances, generally when internal and external influences resonate and thus amplify each other.

External Influences

- Tourism in the world grows to become the highest ranking business (outweighing construction, automobiles, pharmaceuticals, IT, and other branches).
- The forecasts of international institutions investigating the economic importance of tourism such as the WTO (World Travel Organization) or the WTTC (World Travel and Tourism Council) highlight the following:
 - By 2020, the Central European region will be the number one destination in Europe;
 - The mean expected annual growth here in terms of international revenues is cca. 4-5%;
 - In the case of Hungary, international tourism revenues are likely to double by 2010; the current economic weight of 10% in Hungarian GDP will increase to 12%.

Internal Influences

- The current state leadership is well aware of the importance of tourism, and, even more important, of the opportunities lying therein.
 - The processes that started in the past 5-10 years, say, are beginning to show their effects. Examples are the operation of foreign tourist agency representative offices, or the rapid growth of the Tourinform network.
 - The re-positioning of the Hungarian tourism offer, that is, the painting a new offer palette, has become essential.
 - Foreign investors discovered the intrinsic opportunities of Hungarian tourism. As a consequence, major investments had been launched. All in all, in practical terms these cca. \$600 million investments represent the double of the large investment wave of the 1970s and the 1980s driven by Austrian interstate loans.
 - The top managers of tourism work out the corresponding vision, detailing how the generated income would evolve provided tourism receives the financing it deserves.
 - The economic management of the Government realizes that tourism can be the economic factor that can (cross-)finance a part of the growing deficit in the balance-of-payments. This is a key issue, considering that privatization is over, start-from-zero investments show a weakening tendency, which in turn is expected to reduce foreign investments.
 - The government shows a firm resolve to increase state participation, provided these funds will be used appropriately and will thus generate further results.
- In May 1999, the newly appointed Deputy State Secretary for Tourism entered into office,

underlining that the government has to define its relationship to tourism as if the latter were an independent business line representing an economic activity. More precisely, the investments made have to match the opportunities presented. That is, the greater the amount the state can allocate for tourism, the better the results will be, given the time necessary. The state participation circulating at that time was said to be HUF 24 billion.

The year 1999 and the better part of the year 2000 saw this message delivered; the corresponding lobby matched its importance.

In December 2000, we were proud to announce that this goal was achieved, for Parliament passed the two-year budget, wherein the funds allocated for tourism constituted HUF 25 billion (HUF 28 billion) for 2001 (2002). It is important to point out that this sum in itself exceeds the total budget of several ministries. This level of state financing gives us a fair guarantee that tourism in Hungary will continue to evolve fulfilling the promise it holds.

Results for 1999

Last year, the development of Hungarian tourism was strongly influenced by the negative aftermath of the Kosovo war; the dynamic growth observed during the first three months of the year came to a halt, in particular, the foreign currency spending figures manifested a sharp temporary drop. The preliminary professional estimates issued in May 1999 predicted a corresponding deficit – implicit in the decline – of \$500 million to \$1 billion. The Deputy State Secretary of the Ministry of Economy and his staff worked out and implemented a package to neutralize the devastating effects of the crisis. As a result of this crisis management, by the last four months of the year, the foreign currency income of 1999 – expressed in DEM – showed a weak growth trend relative to 1998.

The working group summoned by the Ministry of Economics – consulting, and working in close cooperation, with the Hungarian Hotels Association (Magyar Szállodaszövetség), the Association of Hungarian Travel Agencies (Magyar Utazási Irodák Szövetsége) and the Hungarian Chamber of Commerce and Economy (Magyar Kereskedelmi és Iparkamara) – introduced the following measures:

- As a result of a certain reorganization of the resources in the 1999 marketing budget, a dynamic advertisement campaign was launched targeted in the first place at making Lake Balaton popular in Austria, Germany, the Netherlands, Denmark, and Southern Sweden.
- An advertising program titled “Lake Balaton: A Paradise for Children” and delivering the same message was run in Austria, complemented by a one-month poster campaign, which covered the entire Vienna public transport network and promoted the Lake as a holiday resort area.
- Professional press conferences were held in Germany, and a number of journals and newspapers published ads, in particular about Lake Balaton.

Due to the measures outlined above, and the coordinated work of the tourism industry, the sector succeeded in keeping the number of visitors (2.746 million in 1999), the number of guest nights of foreigners spent at commercial lodging places (9.778 million) close to the previous, 1998 level. The mean time spent by foreign tourists in Hungary (3.6 days) also increased slightly.

In 1999, the following centrally initiated actions assisted the promotion of the development of domestic tourism, encouraging the creation of employment possibilities, regional development and recovery:

- An advertising campaign backed by tens of millions was launched in most of the county daily newspapers and in certain leading national dailies to promote domestic holiday-making;
- Under the auspices of Hungarian Tourism Co. Ltd., and with the participation of Hungarian Hotels Association, a program book containing domestic holiday ideas was published. The need for such a publication issued in 100,000 copies is well-demonstrated by the fact that instead of the originally planned 32, the leaflet actually contained 62 pages;
- The effect is directly observable, but one can also mention here that due to intensive professional lobbying, and as a supplementary result of the Day of Tourism held in the Parliament on 13

October 1999, it was possible to raise the tax-exempt limit of domestic holiday coupons from the previous HUF 10,000 limit up to HUF 20,000 in 2000, which also indicates the premium attached to domestic tourism by professionals and the public.

Thanks to the measures introduced, the broadening of choice, and the increase of available purchasing power of the Hungarian population, the number of domestic guests at commercial lodging places (2.659 million in 1999) rose by more than 5% with respect to the previous year, while the number of guest-nights (7.067 million) increased by almost 6%, and the average staying time (2.6 days) also increased slightly. It can be stated that – perhaps for the first time in the history of modern day Hungarian tourism – domestic tourism moved into the professional and political spotlight, and through its impetus and encouraging effect greatly helped the entire tourism sector to achieve the results it had in 1999.

With respect to the (synthetic) indicator perhaps best showing the performance of tourism – the time record of foreign currency incomes –, the year of 1999 showed a peculiar behavior due to the direct and indirect effects of the Serbian crisis cited above: subsequent to the 4% increase of the first quarter, a sharp drop of 10% was witnessed in the second quarter. In the third quarter, as a consequence of the joint efforts of governmental tourism management and the profession the decline slowed down, then a new increase in income was observed in the fourth quarter. The balance of these processes generated an annual revenue of \$3.4 billion (fairly close to that of the previous year), actually representing a 1% growth when expressed in German marks (DEM 6.2 billion).

In 1999, commercial lodging places registered a 11% increase of guest night spending with respect of the previous year, cca. HUF 72 billion altogether. 57% (11%) of the total income was generated in the Budapest (Lake Balaton) area. The income of five-star hotels increased by more than 30%, which is above the average, but youth hostels and guest houses also performed way above the average.

Nearly 80% of the income was generated by foreign guests, but the spectacular comeback of domestic demand is clearly demonstrated by the fact that the income of five-star (four-star) hotels generated by domestic guests increased by 74% (90%). It is worth noting that the income of horeca units operated by commercial lodging places amounted to a total of HUF 29 billion in 1999.

Sizeable Investments in Tourism

Since the beginning of 1999, a fundamental, long-awaited change took place in the domain of investments in Hungarian tourism. For many decades now, the entire sector suffered from the lack of resources and the corresponding bleak investment options. If there were new developments at all, they did not match the otherwise dynamically expanding needs of the business. At the end of the 1970s and at the beginning of the 1980s, there were some hotel investments mainly in Budapest and to a lesser degree in some country towns financed by Austrian loans, but apart from these exceptions, no notable, internationally significant development was made in Hungarian tourism. The investment work group summoned by the Deputy State Secretariat of the Ministry of Economics in 1999 reported that more than twenty, individually worth some \$10 million tourism-related – mainly hotel-building – investments were under way in the country since the beginning/first half of 1999 with a total value of cca. \$600 million. According to the investors' planning, all of these were to be completed, up and running before the beginning of 2000. This development effort would bring more than 3,500 new world class level hotel rooms to the domestic market in the next two years. The development concepts define a roughly 1,000 room/more than 50% capacity increase (2,500 room/almost 40% increase) in the 5-star (4-star) category. Besides the priority attached to capacity increase, one cannot overlook the employment-creating effects of these developments, because according to the calculations, they will be able to provide jobs for more than 4,000 job seekers over the next 18-24 months. In addition to investments in hotel-building, a dynamic development and rehabilitation process also started, to create conference centers, launch internationally competitive thermal bath, fitness and wellness projects, and stimulate investments

and development in castle tourism, waterway tourism and at world heritage locations. The investors are, especially for major value hotel-building investments, mainly foreign companies, but it is satisfying to point out that the activity of the strengthening Hungarian capital, working in close co-operation with the foreign partners in many of the projects, is also remarkable. The \$600 million in total investments (that is expected to increase in the coming years on the basis of the currently known development concepts) is just the double of last major foreign investment injection, namely that of the Austrian hotel-building loan two decades earlier. At present the Hungarian hotel investment market is characterized by such prominent brand names of hotel chains – the list is of course not exhaustive – as Four Seasons, Hilton, Accor, Holiday Inn, Mercure, Méridien, Novotel and others. It is promising that among the investors one can find North American, Far Eastern, German, French, Italian, Israeli and other big companies, that is, the domestic investment market is well-balanced in this relational respect. It is well-known, that the international hotel investment-development companies are in the first place closely connected, and they also keep an eye on each other's activities and development concepts, so it is likely that the 'big' names mentioned above will encourage the others to increase their efforts in Hungary.

Results for 2000

Our figures at present refer only to the first 10 months of 2000, but it can be stated with confidence that this year will be the best in the overall history of Hungarian tourism.

In the first 10 months, the income from international tourism attained EUR 3.139 billion, a 15% increase with respect to the same period of the previous year. The sector contributed EUR 2.197 billion to the balance-of-payments on current account. The surplus generated by tourism is 22% higher than the year before.

In the first 10 months, the number of guests at commercial lodging places (guest nights) grew by 5% (4%) with respect to the same period last year. The highest increase (62%) was observed at hotels offering some sort of medical therapy/health care.

The increase of hotel room price per guest night approached 9% (in EUR). As a result, the hotel room fee income reached an amount of HUF 72 billion. The increase in income for 5-star (4-star) hotels was 14% (21%). This also demonstrates that step by step the Hungarian tourism sector migrates towards more demanding visitors. The hotel capacity usage was almost 49%, which means a growth of almost 4%.

More than 26 million visitors (not tourists) came to Hungary in the first 10 months, 6.5% more than last year. Their specific spending increased by 7% and reached EUR 119.

The Future

It is well-known that, unlike some of its more fortunate competitors in this race, Hungary does not possess seashores or snowy mountain peaks fit for winter holidays, or historical, archeological, cultural, church, religious, climatic or other absolute advantages that can attract huge crowds of well-off tourists during the better part of the year. Given its dimensions, its weight and role played in international tourism, it cannot be expected to become a leading factor of the sector.

Sensitive to the economy of the outside world, extroverted in its economic orientation, with its inhabitants having centuries-old neighborly and international ties – with its comparative touristic values rising only as recently at the beginning of the 21st century – Hungary still has a fair chance to become at least a power to be counted with in the region in terms of tourism in the medium term.

One of the prerequisites for this has been gradually satisfied over the past years: the government recognized and accepted that tourism is a strategic sector of Hungarian economy producing more and more foreign currency income; therefore, the resources allocated for development were also defined through this optics, taking into account the obvious constraints.

The potential force of Hungarian tourism lies in its versatility, and the efficient use of varied comparative advantages such as cultural and historical values, world famous, unique possibilities

for thermal and medical tourism, different forms of active tourism (horseback-riding, water sports, cycling, and hiking), quality services for bargain prices, gastronomy, or the conference and incentive tourism so popular these days. The plans announced by the government seek to encourage the development of just these sectors even in the short term, and the medium-term concepts also point into this direction. To better appreciate this, it is worth noting that in addition to a number of other products, the locus of national promotion in 2000 was on culture and the double millennium; in 2001 it will be active tourism, in 2002 medical tourism, in 2003 conference and incentive tourism, and according to plans in 2004 again (as in 1999) gastronomy will be the focal point of national tourism promotion.

At present we are in the initial phase of this medium-term process. The various international tourism organizations forecast that by the second half of this decade Central Europe, with Hungary in its center, will have good chances to become the number one destination of Europe. Our results so far are promising; government officials, promotion and marketing experts and the representatives of the profession must all work to achieve these objectives and the next years.

On 13 October 1999, on the Day of Tourism celebrated in the Parliament, the Prime Minister delivered a speech in which he voiced his opinion that considering the potential of the sector, the foreign currency income generated by tourism should be doubled in six or seven years. He also promised that to achieve this, the Hungarian Government would undertake to put the appropriate promotional, marketing and investment tools at the disposal of the tourism sector.

Looking at the results of the first ten months of 2000, we can firmly state that this year will be the best year in the history of Hungarian tourism. According to professional sources, this year tourism succeeded in creating cca. 25,000 (!) new job opportunities. Moreover, being a developed sector, Hungarian tourism will be able to double its foreign income in the period indicated, thus becoming a more important part of Hungarian economy.

So be it!

Dr. Péter Kraft

Sources: Ministry of Economy, Hungarian Statistical Office, Hungarian Tourism Co. Ltd.

Turnover of Retail Trade and Catering

Business type	1995	1996	1997	1998	1999
volume index, previous year=100.0					
Retail trade	91.4	95.1	98.4	112.3	107.9
Catering	99.0	93.6	106.8	104.6	..
Total	91.9	95.0	99.0	111.7	..

Source: Central Bureau of Statistics (KSH)

Turnover of Retail Trade

Description	1998	1999	Volume index previous year=100.0
HUF billion			
Retail trade in foods and miscellaneous goods	1 286.6	1 450.9	107.0
Retail trade in textiles, clothing and footwear	194.5	236.9	111.1
Retail trade in furniture and consumer electronics	657.5	694.6	98.1
Retail trade in motor vehicles and vehicle parts	493.6	623.5	117.3
Retail trade in motor vehicle fuel	427.2	548.8	107.5

Retail trade in cultural and other items	372.1	451.9	112.2
Retail trade in miscellaneous manufactured goods	122.4	166.1	125.3
Retail trade in pharmaceuticals, therapeutic items, and cosmetics	107.9	132.1	96.4
Retail trade in used goods	12.4	15.6	116.5
Package sending retail trade	8.6	9.3	98.7
Retail trade total	3 682.8	4 329.7	107.9

Source: Central Bureau of Statistics (KSH)

Retail Trading Network, by Regional Units, as of 31 December 1999.

Regional unit	Total number of retail units	Retail units operated by individual entrepreneurs
Budapest	25 750	8 332
Pest County	13 492	7 511
Central Hungary	39 242	15 843
Fejér County	5 832	3 365
Komárom-Esztergom County	4 584	2 637
Veszprém County	6 326	3 526
Central Transdanubia	16 742	9 528
Győr-Moson-Sopron County	7 233	3 769
Vas County	4 461	2 139
Zala County	5 192	2 617
Western Transdanubia	16 886	8 525
Baranya County	6 757	3 116
Somogy County	6 914	3 708
Tolna County	4 066	2 181
Southern Transdanubia	17 737	9 005
Borsod-Abaúj-Zemplén County	9 237	4 710
Heves County	4 781	2 839
Nógrád County	2 902	1 684
Northern Hungary	16 920	9 233
Hajdú-Bihar County	7 576	3 888
Jász-Nagykun-Szolnok County	5 709	3 051
Szabolcs-Szatmár-Bereg County	8 973	5 327
Northern Plains	22 258	12 266
Bács-Kiskun County	8 298	4 450
Békés County	5 568	3 379

Csongrád County	6 472	3 441
Southern Plains	20 338	11 270
Total:	150 123	75 670

Source: Central Bureau of Statistics (KSH)

Turnover of Retail Trade and Catering Businesses by Regional Units

Regional Unit	1997	1998	annual volume index, previous year=100.0
annual retail and catering turnover, HUF billion			
Central Hungary	1 259.3	1 375.6	97.9
Of which: Budapest	995.3	1 079.9	97.3
Central Transdanubia	314.0	377.3	107.7
Western Transdanubia	375.1	442.5	105.7
Southern Transdanubia	286.3	402.8	126.1
Northern Hungary	250.5	340.4	121.8
Northern Plains	349.0	529.5	136
Southern Plains	363.4	517.7	127.7
Total:	3 197.6	3 985.8	111.7

Source: Central Bureau of Statistics (KSH)

Environmental Protection in Hungary

The activities of the Ministry for Environment are defined primarily by various laws, including the 1995 Act of Parliament on the Protection of the Environment and the 1996 Act on Nature Conservation, the government program, the National Program of Adopting Acquis and the National Environment Protection Program. The basis for analyzing the present status and for strategic planning is the National Environment Protection Program.

Elements of the environment

Water

Most of the damage done to the environment affects waters. Due to Hungary's geographical position, 96% of its rivers enter Hungary from outside its borders, without any change in the quality of the water flowing in. The worst example so far has been the cyanide poisoning on the Tisza River in the year 2000. Following this major disaster, widely known all over the world, the Ministry has set up a defense task force, and the Government Commissioner's Office deals with the adjustment of resulting damage and with international claims for compensation. With USAID assistance, automatic monitoring stations have been built for the better protection of rivers in the east of Hungary. Systems for analysis and information supply are being installed in the waters of our major water bodies. Also for the sake of water protection, a countrywide sewage-filtering program has been implemented. Financed by the Ministry for Environment, the Alföld program has been launched for the protection of underground water resources, as well as because of the problems in the sandy area between the Rivers Danube and Tisza and for the sake of water

replacement. There is also a separate Act on Water Protection.

Soil

Initiated by the Ministry of Agriculture and with the active assistance of the Hungarian Academy of Sciences, an Information and Monitoring System has been set up for the analysis of the state of the soil. The evaluation of research findings is underway. It is a significant improvement that the use of chemicals has decreased drastically over the past few years. There is also a separate Act on Soil Protection.

Air

Due to appropriate measures taken as well as because of a decline in industrial production, the discharge of SO₂, of particulate matter, and lead has fallen back, while NO_x and CO emissions have been on the increase. They are discharged by the transport and the energy industry (power stations). The regulations on air purity and technological discharge limits are appropriate.

Waste Management

One of our main problems is the management of the waste material already deposited and compounded by the additional 70 million tons accumulated each year. The Waste Management Act was passed in 2000, supplemented by laws on its implementation. Taking into account the requirements of the EU, this legislation already stands the test of Europe.

Security and Disaster Prevention

Hungary is frequently afflicted by floods. Therefore, the country is to be prepared for water pollution, including cyanide and heavy metal contamination. In the Ministry for Environment, there is a governing body that is authorized to make decisions on the need for interference and is responsible for its control. The Act on Disaster Prevention regulates the practicalities of alarm, information and broadcast systems. A regional alarm system has been established in the Danube region. The legal harmonization of nuclear safety and civil defense to meet European standards is being developed. In 2000 a new law was passed on chemical safety.

Health Protection

The Hungarian population's state of health is very poor by international standards. The rate of mortality is too high. Among the leading causes of death, environmental factors feature considerably. Part of the National Environmental Program is the National Environmental-health Action Program, being developed jointly by the Ministry of Health and the Ministry for Environment. They have undertaken to examine the health hazards of environmental factors, revealing and assessing problems, as well as making recommendations for their solution.

Nature Conservation

Hungary's surface and its flora and fauna are truly varied. In the south there is sub-Mediterranean grassland, while in the north you find broad-leaved montane forests. The Alföld is a plain with sandy desert-like stretches, yellow soil, as well as salt marshes. Our surface waters and their habitats represent special value. Our geographical position and natural environment are at the crossroads of different ecological climatic zones. Thus the country is ecologically very sensitive to changes.

A considerable proportion of natural values in the Carpathian Basin has survived in a state very close to its original form. This accounts for the existence of as many as nine national parks and the fact that nearly ten percent of the country is protected.

Man-made, cultural and natural resources all constitute part of the world heritage, among them the

Aggtelek karstland, the Buda Castle, the Village of Hollókő and its environs, the thousand-year old historic monastery of Pannonhalma, as well as the world renown "Pusztas" of the Hortobágy. Basic principles of the protection of nature are described by the Ground-plan for Natural Protection. Certain regions, species and unique objects have been given legal protection. In Hungary 515 species of plants, 855 species of animals and all the caves are protected by law.

Education

Environmental education at every level from pre-school to universities is a state responsibility laid down in law. The Ministry for Environment strives to carry out this immense task, giving ample support to schools. Though Hungarian public education has no separate school subject for environmental protection, according to the National Curriculum every teacher is obliged to actively contribute to environmental learning. In 1999 a cooperation agreement was concluded with the Ministry of Education for the development of environmental education. At present some 6% of university students study professional environmental subjects, but within a few years the National Environmental Protection Program would like all students to study them. In teacher education, in-service training, and in public information non-governmental organizations, supported regularly by the Ministry play a major role.

Economic Bases

The Ministry for Environment is a separate chapter in the budget. Due to its increased workload, the Ministry was awarded more than before in 2000. The Ministry's budget was supplemented by ISPA aid and Phare-programs.

The Environmental Protection Task Fund is also included in the budget. Its sources are fines, environmental product prizes, international aid, refunds, and interest thereon. Support for new investment or operation may be obtained through tendering.

Legislation

The six-year program of environmental protection was passed by Parliament in 1997. (National Environmental Protection Program), while the planning of the next six-year cycle is underway. The new law on waste management is effective as of 1st January 2001. The introduction of an environment pollution fee is still being on the agenda and is being considered seriously, but its launch is not expected for a few more years. At present, the most pressing problem is legal harmonization with the EU. The Hungarian government is fully committed to Hungary joining the EU.

International Relations

Hungary is a member of the UNO, OECD, and NATO. We have signed more than thirty international environmental agreements and bilateral and sub-regional co-operation contracts. Hungary has expressed its intention of joining the LIFE III environmental protection and nature conservation program, as well as the European Environmental Agency.

Dr. Péter Száraz

Budapest for EU Accession

The days between the eighth and the eleventh of December 2000 marked a historical period for Hungary. A long-awaited decision was at last made in Nice. The heads of states and prime ministers accepted a schedule at the European Union Summit concerning the accession of new member states, announcing that from the end of 2002 the Union would be ready to admit the new members. In the adopted document, the member states express their hope that the new members would be able to take part in the elections of the European Parliament scheduled for June 2004. In an optimal case

this means that if the accession negotiations are also completed by late 2002, the accession convention would be ratified by year-end 2003, and thus Hungary could effectively become a member of the EU on 1 January 2004. At the same time, the Summit invited the applicants to accelerate their preparatory actions. Accordingly, we still have to meet very serious obligations. The annual country report made by the EU qualified Hungary as a state “fully fledged for membership in the short term”, ranked in the very first place in this group. According to the document on expansion strategies, accession negotiations are likely to be completed with the most developed countries by the end of 2002. However, if this were to become reality, we have to take the criticism made in the country report seriously, and take proper action in the critical areas. This will understandably fall under the duties and responsibilities of the current government. However, the gradually expanding legal system of the Union has an augmenting effect on the regions and communities as well. Now, for the time being, approximately 80 directives and decrees are expressly and directly related to the operation of the local and regional governments. Consequently we, the Hungarian local governments, will have to prepare ourselves for integration to at least the same extent as the government sector. Budapest put a lot of effort and in many ways to foster our accession to the EU over the past decade.

The local governments of the communities incorporated in the previous expansion, which ended in 1995 (Austria, Finland, and Sweden), began fulfilling their key obligations as early as six years prior to their accession, in order to assess and influence the conditions and consequences of their potential membership. Budapest is also following this example. For we have carried out active preparatory activities six years ahead of the expected time of our accession, or to be more precise since the autumn of 1998. We are represented at key meetings of the European Union concerning the towns, the community and region-based local governments, moreover we continually organize and support cooperation between the Hungarian local governments. Additionally, we plan to act as the forerunners of Central and Eastern European cities and towns that have so far made less progress in their accession to the Union.

It is of utmost importance for the local governments and particularly the capital to obtain the adequate information and to adjust their own legal harmonization policy accordingly. A European Academy was established at City Hall for this purpose, providing us first-hand information about essential integration-related issues all through last year. This initiative was intended to establish the frames of a relationship whereby dialogue could be held on the progress of the accession and our joint duties and obligations. The lecturers of the Academy were outstanding representatives of the Hungarian integration policy who informed the senior officials and public servants of City Hall about the current conditions of the accession negotiations and the issues of integration concerning the local governments and the regions.

Budapest has taken part in the work of the East-West Committee of Eurocities for several years now, and is also a member of the steering committee which supports the Chairman of the Committee. This Committee increasingly involved in preparations to assist the cities and towns of the applicant countries.

Budapest has also established a close relationship with several capital cities of the European Union. Mary Freehill, Lord Mayor of Dublin, confirmed at her visit to Budapest that the Irish capital is willing to share the experience it gained in the course of the town rehabilitation projects completed with Budapest with funding from the European Union. We held discussions with the city of Madrid concerning the protection of values in the settlements, whereas in the frame of cooperation between Budapest and Berlin we studied the European example of public bidding and acquisition procedures.

The European Integration Commission of the Vienna Assembly held a seminar in the Lord Mayor's Office and in turn our colleagues were provided a chance to study the Austrian practice of local taxation in Vienna. In my quality as Lord Mayor I also invited Mrs. Annemie Neyts-Uyttebroeck, Foreign Minister of the Brussels-Capital region, to Budapest. In the course of this meeting this year's work schedule attached to the general agreement between the two capitals and neighboring

regions was signed. Under the aegis of this cooperation, Budapest will gain experience that concern the regions in many ways and are adjunct to membership in the European Union, regarding duties, and the parties will additionally exchange ideas concerning the subsidization of small-to-medium-sized enterprises, the regional investment incentive policy, and environmental protection.

Our relationship with every capital of the neighboring countries that expect accession is characterized by a mutual exchange of experience. This year we have learnt about the strategy that Prague is adopting in its accession preparations and have also received information about the regional break-up in Bohemia.

The local governments of Budapest and Warsaw made a public notice to press on and hasten the Eastern expansion policy of the European Union, in particular calling upon the European Union to set the exact date of accession for Hungary and Poland by the end of 2003. I myself submitted the petition to the Minister of Foreign Trade occupying the current presidential post of the Union, Francois Houvart, representing France in Paris and at the Nice Summit.

Bratislava, Vienna, Prague, Warsaw, Kiev, and Budapest made joint efforts to restore the chime of the bells of Saint Martin Cathedral in Bratislava, destroyed in World War I, which is another excellent example of cooperation between Central European towns and regions. Budapest hosted several conferences related to EU preparations. In April we held a two-day Central and Eastern European traffic forum, organized by the Traffic and Energy Board of the European Union. An international conference entitled "Relationship between Sports and Local Governments in the EU and Hungary" was also held in Budapest. It aimed at supporting the work of the local governments and the sports experts through examples from various European countries.

Budapest was the first place outside the European Union where an official information center of the EU was opened. It was two years ago in the building of the Lord Mayor's Office that we signed a statement of intent with Michael Lake, the manager of the Hungarian representation office of the European Commission, on the establishment of the Information Center aimed to supply information to Hungarian citizens about the European Union, integration, and the progress of Hungary's accession.

Preparations were also made to adopt the legal documentation of the Union, and also intend to obtain a certificate of quality also accepted by the EU within 12 months.

The social significance of our accession by the European Union is as important in Hungary's life as the change of the political regime was ten years ago. So, common, consensus-based actions, fundamental initiatives, and the increasingly emphatic articulation of interests and values were all determinative features of the successful political change. Just as the change of the political system was not merely a political and economic process, our accession by the Union likewise requires extensive changes and adaptations not only in a legal and economic sense but humanly, morally and psychologically as well.

The aim of Budapest is that the capital should continue and contribute to the country's preparations for its accession to the European Union in an adaptive manner, always following the changes and it should thus support the country in implementing its long-term strategic objectives.

Gábor Demszky
Lord Mayor of Budapest

Hungarian State, Society, Politics

Political Developments

The political year of 1998 reshaped power relations originally established after the change of the political regime in many regards. The theory, which recognized our national party structure to have reached its final stage and which declared that the political powers gaining ground in Parliament in 1990 would be a determinant force in Hungary in the long term was quashed. It was established that the parties continually seem to be fighting with questions of self-definition and, consequently, their

exact position on the political map is not yet stable. The generally admitted thesis declaring that Hungarian electors tend to listen primarily to their emotions, create blocs, and hence raise a certain political group to the skies through their support but then leave it behind and sympathize with another group was also actually disproved in the election year, a period much longer than the calendar year itself. It became clearly apparent that the electors would not rush from one political party to the other if they had to vote. Given a chance to vote, the tradition of one-third of the citizens opting for the left center and one-third for the center-right party was once again revitalized in 1998, after a pause of several decades. The two camps could already be chalked out prior to the beginning of the campaign: one of them was embodied by MSZP (Hungarian Socialist Party), which had not lost its electors after its four-year term and even received the highest number of votes at the elections, whereas the other was represented by Fidesz (Alliance of Young Democrats, later Fidesz Hungarian Civic Party), which actually combined all the supporters of the conservative side. However, this did not conclude the development of our national parties: neither the left, nor the center-right should be considered as an organic and homogeneous group; the number of parties to be delegated to the next Parliament, the future of the liberals seated to the left of the political field, the fate of the small parties at the right or the fortune of MIEP (Hungarian Life and Justice Party), a party to call itself a national radical aggregation, still remains a question.

The only thing to remain certain is that political ideologies drew away from the everyday life of the public by the third free election, and failed to gain any ground ever since. Owing to the transformation of the economy and to political experience gained since the change of the political system, the electors' relationship with public life, public affairs, and publicity has become much more rational. Most began to think not in terms of people and the nation but advantages and money. In the polling-booth they marked a certain name in hopes of a higher income and voted for the party they believed would take the least away from them.

The center-right political group called "Civic Alliance" got on its feet after the legislative elections so much so that it actually maintained its campaign throughout the summer, as if the 18 October 1998 municipal elections represented the third round of the elections. Fidesz did not only prove to be successful in determining the theme of dialogue and thus dominating publicity, but - quite unusually in domestic political life - also took certain PR aspects into account to specify its actions. In the month directly preceding the local government elections, it essentially only kept PR in view. It considered the electors as the consumers of its messages and repeated its ideas which seemed to be appealing to the recipients but at the same time had also been fraught with trivial ideas in sentences phrased in the most unsophisticated way. The permanent campaign proved to be successful, and Fidesz won for the third time in 1998. It did so despite the fact that the biggest opposition party, MSZP, and moreover SZDSZ (Alliance of Free Democrats also heralded themselves to be the winners - for the reason of filling the Lord Mayor's post. Everyone won, but first and foremost it was Fidesz. It seized the majority at the county-level assemblies (16) and consequently it was offered the opportunity to build up its still non-existent party organization with politicians in the local government. After their victory at the elections the Prime Minister explicitly announced a rearrangement of power relations. At one of the events held with a group of coalition sympathizers, the "Civic Gondola", Viktor Orbán indirectly promised many positions to their center-right supporters in economic and cultural life, and in the media. Various steps aimed at achieving the above-mentioned objective marked the two-and-a-half-year activity of the Fidesz-MDF-FKGP (MDF: Hungarian Democratic Forum; FKGP: Smallholders' Party) Government. The principle of pillage was realized during the rearrangement of the power relations to the utmost extent. Neither public administration nor any state institutions independent therefrom, none of the corporate enterprises and neither cultural nor media life escaped the attention of the coalition camp. The Government seated its own people in the most positions possible, which was motivated not "merely" by the establishment of a client system but also by the weakening of power in the center-left bloc. Having risen to power, the members of Fidesz rewrote the rules that have been fundamentally recognized for ten years in political life. The most important change was the replacement of a

consensus-hunting and politicizing approach by a confrontation-based governing technique. (The cabinet became so definitive in public life from the very first months, that it not only refused the floor from its coalition partners but even withdrew the leading party of the coalition, Fidesz, from publicity.)

The rearrangement of the power relations did not leave the government structure untouched either: the Office of the Prime Minister grew stronger than ever before. Today, Hungary could be characterized by a kind of prime ministerial government mostly suggesting the German system of chancellery, with control strengthened by a very small group made up of the “hard core” of Fidesz (along with Viktor Orbán: László Kövér, István Stumpf, József Szájer, and János Áder) and a consultant group working for the Chief of State. The Office of the Prime Minister does not simply provide a political and intellectual background to the Chief of State but with the help of its duplicate executive offices and analysis groups, it became the first and foremost decision-maker. Today, the ministries do not decide in any fundamental issues without the “Chancellery”. What strengthens the power of Viktor Orbán but weakens that of the Government is that the ministers that he himself selected are not supported by a political background, so a few ministries are not even able to articulate any ambitions that differ from the central volition. (The Prime Minister “grasped” the portfolio and minister, which could contradict the program dictated by the Office of the Prime Minister with the issue of the budget. This is how the Ministry of Agriculture or the educational portfolio received higher sums than ever before). So, the Chief of State is not compelled to be aware of any opponent “in the camp”, after all he has to fight with the apparatus because of its “weak” ministers. The paradox of the situation is that the Prime Minister’s technocratic ministers - lacking any political support - accord with the operators of the administration more than the members of Fidesz’s “hard core”. The former define such political intentions that can be coded and hence executed by the apparatus, whereas the efforts of the latter could not be interpreted in a world of practical politics. For instance, the portfolio was capable of translating the “conservatism” of the Minister of Finance properly to the language of budgetary figures: it allowed the economy to run with various austerity packages for almost two years. At the same time, the ministerial apparatus was inefficient to do anything with political intentions such as “busting the red spider web”, establishing balance in the media or preventing the outflow of public funds.

Not just the government structure but also the relationships between the political institutions underwent some change. For the first time in ten years, the Government became so dominant that, in conjunction with decreasing its controlling role, it relegated Parliament to the background. (The introduction of a new working order for Parliament - according to which the Honorable House only holds its plenary sessions every three weeks - naturally also contributed to this change.)

The power structure, established in 1998, was continually changed, reshuffling in the Government was constant, although the first replacements and ministerial ‘super sessions’ took place only as recently as 2000. Owing to its central role almost each change had an impact on the Office of the Prime Minister, whose coordinating role could not predominate over certain portfolios, although it was involved in professional political decisions. Its executive offices, whose approval was a precondition of any decision being made, materialized parallelism within the administration rather than harmonize the ideas of the portfolios. Let me just mention the two key ideas that provoked debates in the ministries: two strategies were made on economic policy and two on regional development, however, they were eventually all overpowered in the debate with the Ministry of Economy and the Ministry of Agriculture and Regional Development.

The coalition first identified the limits of its power in the first third of 1999, when a kind of activism typical to its successful campaign and later to the operation of the new government structure and named “whole-ground attack” in political journalism had lost strength. In addition to the resistance of the apparatus, spectacular conflicts between the government party and the opposition, which produced supporters for the social liberals after all regardless of confrontations within the coalition, NATO air strikes, and natural disasters, 1999 was also the period of disillusionment. The idea of a chance to “abolish the past forever”, connected to the center-right Government led by Fidesz, all

but vanished. The party's image was damaged, its politicians lost their creditworthiness, and the electors had to realize that the "other side" of the bipolar political system was not the immaculate youngster's camp either.

In spite of a defection by a part of the electors, the political structure - relying on two dominant parties - stabilized in 1999 and 2000. Today, even after a two-and-a-half-year term in government, Fidesz is supported by almost the same number of electors as in May 1998, and MSZP has never had such a large base. Such mistakes led to the equalization of the two camps' support, and subsequently to the predominance of MSZP which Fidesz may have thought to avoid. Similar to the previous cycles, the communication strategy of Fidesz could have repeatedly thrilled the electors with the sense of lacking any consequences, at least in the first two years. Concealing the issues, failing to answer certain topics raised in public or to admit the mistakes, camouflaging the problems, holding the positions of some officials involved in dubious affairs, lacking to define responsibility or manipulation in many cases all annihilated the creditworthiness of Fidesz, which attached great importance to the policy of action with words. The leading government party reacted at the scandals, the consequences of the observation issue, the questionable company deals of the Prime Minister's closest friend, the ex-president of APEH (Tax and Financial Control Office), the attacks in response to the Lockheed letter, and the corruption-suspicious stories of the smallholders in autumn 2000, just as its predecessors did. Since matters that injured not the legal but primarily the ethical standards had been put on the agenda, the intention of Fidesz was not to get at the truth but to hold back, confuse the facts, and make them chaotic. Moreover it made counter-attacks, which evidently no longer met the electors' expectations. Fidesz was taken captive of its own designed image insofar as when in the beginning of 2000 the Minister of the Chancellery and later the Government Head equally announced a "country-building government", it was unable to achieve its stylistic change accepted by the intellectual groups and the media.

The year 2000 meant a sharp turn in the life of the Smallholders' Party and the coalition. Whereas in the first few months until the election of the President of the Republic, the identity of the party to act as the dominant power of the center-right camp was still a question (this is why Fidesz and FKGP fought against each other within the coalition and why the Békejobb also tried to join the battle), the existence of the Government was threatened by the smallholders' corruption scandals in the final months of the year. The political strength of József TORGYÁN and FKGP crumpled, and it became evident that Fidesz would again lead the conservative camp in the forthcoming elections, nevertheless, it became questionable if the present coalition can survive until the spring of 2002.

Marianna Mucsányi

Political Institutions

President of the Republic: Dr. Ferenc Mádl

Office of the President of the Republic

1055 Budapest, Kossuth Lajos tér 3-5. Phone: 441-4000. Head: Dr. Pál Becker (Chief of the Cabinet). Deputy Head: Dr. Péter Paczolay (Deputy Chief of the Cabinet). Director of the Communications and PR Department: Dr. Erzsébet Schillinger.

Constitutional Court

1015 Budapest, Donáti u. 35-45. Phone: 212-1160. Fax: 212-1170. President: Dr. János Németh. Vice-President: Dr. András Holló. Members: Dr. István Bagi, Dr. Mihály Bihari, Dr. Ottó Czúcz, Dr. Árpád Erdei, Dr. Attila Harmathy, Dr. László Kiss, Dr. István Kukorelli, Dr. János Strausz, Dr. Éva Tersztyánszky-Vasadi. General Secretary: Dr. Ilona Pálffy.

State Audit Office

1051 Budapest, Apáczai Csere János u. 10. (Postal address: 1364 Budapest 4, P.O.Box 54). Phone: 484-9100. Fax: 338-4710. Chairman: Dr. Árpád Kovács. Deputy Chairmen: Dr. László Nyikos, István Sándor. Directors: Mrs. Sándor Bakonyi, Zsigmond Bihary, Dr. Pál Csapodi, Gejza Halász, Dr. János Lévai, Dr. Zoltán Lóránt. Press Secretary: Péter Divinyi, Phone: 484-9154, Fax: 484-9204.

Supreme Court

1055 Budapest, Markó u. 16. Phone: 269-2600. President: Dr. Pál Solt. Vice-President: Dr. Győző Szabó. General Secretary: Dr. Zoltán Lomnici, Phone: 269-2873, 269-2868. Fax: 269-2875.

Attorney General's Office

1055 Budapest, Markó u. 16. Phone: 269-2600. Attorney General: Dr. Péter Polt. Deputies: Dr. Ervin Belovics, Lt.Gen. Dr. Tamás Kovács, Dr. András Zs. Varga. Head of the Press Department: Dr. Éva Bóta, Phone: 269-2844, Fax: 269-2662.

National Radio and Television Board

1088 Budapest, Reviczky u. 5. (Postal address: 1461 Budapest, P.O.Box 59). Phone: 269-2590. Fax 267-2612. Chairman: Dr. Judit Körmendi-Ékes. Members: József Bánlaki, Dr. Zsuzsa Erdős, Dr. György Ladvánszky, Dr. Gábor Nahlik, Dr. János Timár, Dr. János Wéber, Dr. József Zelnik. Director General of the Office: György Kovács, Phone: 267-2566.

Parliamentary Ombudsmen

1054 Budapest, Tüköry u. 3. Phone: 269-3500. Parliamentary ombudsman for civic rights: Dr. Katalin Gönczöl. Ombudsman for data protection: Dr. László Majtényi. Ombudsman for national and ethnic minority rights: Dr. Jenő Kaltenbach. Head of the Office of the Parliamentary Ombudsman: Dr. Erzsébet Wolf.

Committee Responsible for the Monitoring of Senior Office Holders

1054 Budapest, Nagysándor J. u. 4. Phone: 473-2751, 473-2753. Fax: 473-2752. Members: Dr. Frigyes Bründl, Dr. Éva Cseicsner, Dr. Zoltán Eperjesi, Dr. Judit Léb-Fehér, Dr. Imre Gondos, Dr. Zoltán Hodászi, Dr. Béla Incze, Dr. Marianna Nedesán-Kiss, Dr. Mária Pintér, Dr. Éva Várhegyi. Head of the Secretariat: Dr. Sándor Serslis, Phone: 473-2750.

National Assembly

1055 Budapest, Kossuth Lajos tér 1-3. (Postal address: 1357 Budapest, P.O.Box 4). Phone: 441-4000. Office Building for Members: 1054 Budapest, Széchenyi rkp. 19. Phone: 441-5000. Speaker: Dr. János Áder (Fidesz). Deputy Speakers: Géza Gyimóthy (FKGP), Dr. Katalin Szili (MSZP), Dr. Ferenc Wekler (SZDSZ). Clerks: Károly Herényi (MDF), Dr. Katalin Lévai-Juhász (MSZP), Mihály Kapronczai (MIÉP), László Kocsi (MSZP), Péter Márai (SZDSZ), Róbert Molnár (FKGP), Zsolt Németh (MDF), Dr. Erika Szabó (Fidesz), Dr. Árpád Vidoven (Fidesz), Dr. Gábor Világosi (SZDSZ).

The Government

1055 Budapest, Kossuth Lajos tér 1-3. Phone: 441-4000.

Prime Minister: Dr. Viktor Orbán (Fidesz).

The Prime Minister's Cabinet Chief: Dr. Andor Nagy. Minister Without Portfolio: Dr. Imre Boros (FKGP), (in charge of the governmental coordination of the PHARE Program), Phone: 320-5057, Fax: 320-4473; Ervin Demeter (Fidesz), (supervises the civil national security services).

Based on the coalition agreements, Fidesz appointed ministers to head 11 portfolios, while FKGP and MDF to lead 4 and 1 portfolio, respectively, in the government led by prime minister Viktor Orbán. The members of the government are members of the three above parties or politicians requested by them.

Office of the Prime Minister

1055 Budapest, Kossuth Lajos tér 1-3. (Postal address: 1357 Budapest, P.O.Box 2.) Phone: 441-4000 Internet: <http://www.meh.hu> Office Building: 1055 Budapest, Kossuth Lajos tér 4. Phone: 441-3000. Minister: Dr. István Stumpf (Fidesz). The Minister's Cabinet Chief: Zsolt Tóth. Political State Secretary: Dr. László Bogár (Fidesz), (economic strategy); György Habsburg - Extraordinary and Plenipotentiary Ambassador, Phone: 237-4267, Fax: 237-4247; Dr. Gábor Borókai (Fidesz), (Government Spokesman); Dr. János Fónagy (Fidesz), (Head of the Economic and Financial Rapporteur's Office); Dr. Éva Mikes (Fidesz), (Head of the Internal Affairs and Justice Rapporteur's Office); Dr. Andor Nagy (Fidesz), (The Prime Minister's Cabinet Chief); Dr. Csaba

Óry (Fidesz), (Head of the Social Policy Rapporteur's Office); István Simicskó (Fidesz), Réka Szemerkenyi (Fidesz), (Head of the Foreign and Security Policy Rapporteur's Office).

Administrative State Secretary: Dr. Béla Bártfai. Deputy State Secretaries: Dr. Károly Füredi, Dr. György Müller (government office), Dr. Péter Szerdahelyi (rapporteur's offices, information technology). Government Commissioners: János Gönczy (coordination of governmental tasks related to the cyanide spills on the Rivers Szamos and Tisza), István Nemeskürty (Millennium), Zoltán Sík (information technology), György Schwajda (National Theater), László Székely (Danube, Gabčíkovo matters). Political State Secretary for Communication, Government Spokesman: Dr. Gábor Borókai, Phone: 441-4760, Fax: 441-4762. Head of the Press and Information Division: Dr. Tibor Navracsics, Phone: 441-4316, Fax: 441-4758. Head of the Prime Ministerial Secretariat: Mária Bathelt.

National Image Center

1055 Budapest, Kossuth tér 2-4. Phone: 441-3620. Fax: 441-3622. Head of Division: Dr. István Zoltán Tóth, Phone: 441-3826. Deputy Head of Division: Attila Németh, Phone: 441-3624. Head of PR and Press Office: Zsuzsanna Jacsó, Phone: 441-3626.

Ministries

Ministry of the Interior

1051 Budapest, József Attila u. 2-4. Phone: 441-1000. Internet: <http://www.b-m.hu> Minister: Dr. Sándor Pintér (Fidesz). Political State Secretary: Dr. Károly Konrád (Fidesz). Administrative State Secretary: Dr. László Felkai. Deputy State Secretaries: Dr. György Eiselt (informatics and telecommunication), Dr. Pál Kara (local government), József Lajtár (economy), Dr. Irén Sipos (parliament and law), Press Spokeswoman: Dr. Krisztina Könyves, Phone: 266-5363, Fax: 353-3782.

Ministry of Health

1051 Budapest, Arany János u. 6-8. Phone: 332-3100. Fax: 302-0925. Internet: <http://www.nepjoleti.gov.hu> Minister: Dr. István Mikola (Fidesz). Political State Secretary: Dr. Zsolt Horváth (Fidesz). Administrative State Secretary: Dr. Ferenc Oberfrank. Deputy State Secretaries: Dr. István Kakuszi (functional and economic), Dr. Tibor Kázmér (health, management and control), Dr. Zoltán Varga (health, strategic and planning). Head of the Information and Communication Center: Viktória Kertész, Phone: 311-0643, Fax: 311-7221.

Ministry of Agriculture

1055 Budapest, Kossuth Lajos tér 11. Phone: 301-4000. Fax: 302-0402. Internet: <http://www.fvm.hu> Minister: In vacantim February 2001. Political State Secretary: Dr. Béla Szabadi (FKGP). Administrative State Secretary: Dr. Károly Tamás. Deputy State Secretaries: István Bódis, Ferenc Kósa, Dr. Zoltán Kovács, Dr. Imre Mucsi, Dr. Péter Szabó. Press Secretary: Dr. Emil Tallós, Phone: 312-6423, Fax: 332-8948.

Ministry of Economic Affairs

1055 Budapest, Honvéd u. 13-15. (Postal address: 1880 Budapest, P.O.Box 111.) Phone: 302-2355. Fax: 302-2394. Internet: <http://www.gm.hu> Minister: Dr. György Matolcsy (Fidesz). Political State Secretary: Béla Glattfelder (Fidesz). Administrative State Secretary: Dr. Róza Nagy. Deputy State Secretaries: Zoltán Budai (Tourism), Dr. Zoltán Cséfalvay (regional economic development), Dr. László Herczog (interest representation, labor affairs), Péter Hónig (industry), Dr. Marianne Csákvári-Pongor (investment and international relations).

Ministry of Defence

1055 Budapest, Balaton u. 7/11. Phone: 474-1100. Fax: 474-1320. Internet: <http://www.h-m.hu>
Minister: Dr. János Szabó (FKGP). Political State Secretary: János Homoki (FKGP).
Administrative State Secretary: Dr. Tamás Perenyi. Deputy State Secretaries: Dr. János Kárász (economic matters), Dr. Alfréd Kőhalmy (Cabinet Chief), Zoltán Martinusz (defense policy),
Professor János Szabó (system of human institutions).

Ministry of Youth and Sports

1054 Budapest, Hold u. 1. Phone: 301-9100. Fax: 269-0188. Internet: <http://www.ism.hu> Minister:
Dr. Tamás Deutsch (Fidesz). Political State Secretary: Dr. Imre Szakács (Fidesz). Administrative
State Secretary: András Bodor. Deputy State Secretaries: Ferenc Dénes (sport), László Szabó
(youth matters), Mrs. Dr. János Székelyhidi (economy and public administration), Pál Szekeres
(sport of the disabled), Ákos Topolánszky (drug abuse prevention), Press Secretary: Katalin
Morvai, Phone: 301-9210, 0630/9422-183, Fax: 331-2325.

Ministry of Justice

1055 Budapest, Kossuth Lajos tér 4. (Postal address: 1363 Budapest, P.O.Box 54.) Phone: 441-3003.
Internet: <http://www.im.hu> Minister: Dr. Ibolya Dávid (MDF). Political State Secretary: Dr. Csaba
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Dr. Gábor Gadó (civil codification), Dr. Lipót Hölty (international organizations, human rights),
Dr. Imre Seereiner (public law). Head of the Parliamentary and Public Relations Secretariat:
Katalin Nemes, Phone: 441-3680, Fax: 441-3682. Press Secretary: Dr. Ildikó Gál, Phone: 441-3121,
Fax: 441-3122.

Ministry for Environment

1011 Budapest, Fő u. 44/50. Phone: 457-3300. Internet: <http://www.ktm.hu> Minister: Dr. Béla Turi-
Kovács (FKGP). Political State Secretary: Dr. Sándor Kávássy (FKGP). Administrative State
Secretary: Dr. Sándor Skultéty. Deputy State Secretaries: Dr. István Csepregi (administration), Dr.
Attila Kemény (environmental protection), Dr. János Tardy (nature conservation), Dr. Nándor Vass
(economy and information technology), Press Secretary: Dr. József Horváth, Phone: 457-3415, Fax:
201-2125.

Ministry of Transport and Water Management

1077 Budapest, Dob u. 75-81. Phone: 322-0220, 341-4300, 342-0520. Fax: 322-8695. Internet:
<http://www.meh.hu> Minister: Dr. János Fónagy (Fidesz). Political State Secretary: Jenő Manninger
(Fidesz). Administrative State Secretary: Sándor Tombor. Deputy State Secretaries: Dr. Béla Hajós
(water management), Zoltán Kazatsay (international and EU integration matters), Dr. Iván
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3597.

Ministry of Foreign Affairs

1027 Budapest, Bem rkp. 47. Phone: 458-1000. Fax: 212-5918. Internet: <http://www.mfa.gov.hu>
Minister: Dr. János Martonyi (Fidesz). Political State Secretary: Zsolt Németh (Fidesz).
Administrative State Secretary: Iván Bába. Head of the State Secretariat for Integration: Dr. Péter
Gottfried; Deputies: Egon Dienes-Oehm, Béla Szombati. Deputy State Secretaries: Dr. Péter Balás,
János Herman, Csaba Lőrincz. Dénes Tomaj, Gábor Zupkó. Spokesman: Gábor Horváth, Phone:
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Ministry of National Cultural Heritage

1077 Budapest, Wesselényi u. 20-22. (Postal address: 1410 Budapest 7, P.O.Box 219.) Phone: 484-7100. Internet: <http://www.nkom.hu> Minister: Zoltán Rockenbauer (Fidesz). Political State Secretary: Attila Várhegyi (Fidesz). Administrative State Secretary: Dr. László Baán. Deputy State Secretaries: Tamás Ács (economy), Orsolya Kőrösi (artistic and international relations), Dr. Zsolt Semjén (religious matters), Dr. Zsolt Visy (cultural). Press Secretary: Andrea Köhalmi, Phone: 484-7101, 484-7100/7589,7590,7591; Fax: 484-7172.

Ministry of Education

1055 Budapest, Szalay u. 10-14. Phone: 302-0600. Internet: <http://www.om.hu> Minister: Zoltán Pokorni (Fidesz). Political State Secretary: Dr. József Pálincás (Fidesz). Administrative State Secretary: Dr. András Levente Gál. Deputy State Secretaries: Dr. András Benedek (vocational training), Dr. Ádám Kiss (higher education), Dr. László Imre Komlósi (international relations), László Környei (public education), Dr. Antal Stark (economic matters), Dr. Gábor Szabó (research and development). Ministerial Commissioner of Educational Rights (Educational Ombudsman): Lajos Aáry-Tamás. Press Secretary: Krisztina Csépe, Phone: 311-4282 (also fax).

Ministry of Finance

1051 Budapest, József nádor tér 2-4. Phone: 318-2066, 327-2100. Fax: 318-2570. Internet: <http://www.meh.hu> Minister: Mihály Varga (Fidesz). Political State Secretary: András Tállai (Fidesz); Dr. Imre Frajna (Fidesz), (supervisory body of social security funds). Administrative State Secretary: Dr. György Naszvadi. Deputy State Secretaries: Dr. Péter Adamecz (financial institutions, stock market), Mrs. György Barátossy (financial policy, international relations), Dr. László Kékesi (tax matters), András Mohos (budget, budgetary institutions, social public expenditures). Press Secretary: Ferenc Pichler, Phone: 327-2157, Fax: 266.0193.

Ministry for Social and Family Affairs

1051 Budapest, Roosevelt tér 7-8. Phone: 302-2100. Internet: <http://www.meh.hu/szcsm> Minister: Péter Harrach (Fidesz). Political State Secretary: Dr. Judit Szemkeő-Szilágyi (Fidesz). Administrative State Secretary: Dr. Gyula Pulay. Deputy State Secretaries: Zoltán Lakner (social and family affairs), Dr. Hanna Páva (legal and international affairs). Head of Press Office: László Meszleny (Press Secretary), Phone: 311-6870, 331-6399, Fax: 312-4045, E-mail: laszlo.meszleny@szcsm.gov.hu

The Political System and Parties

The multi-party system in Hungary has resisted all kinds of theoretical speculations for some ten years and did not develop in the way textbooks of political sociology had prescribed it. Six political parties – seemingly by mere chance – occupied the seats in Parliament in 1990, while fifty other parties did not even have a chance of obtaining mandates. The same six parties made their way into Parliament in 1994, and, in addition, four of them achieved a score similar to the one they had after the first general elections. After the third general election in 1998, it was six parties again that formed the Hungarian Parliament. The only change was that MIÉP (Party of Hungarian Justice and Life), having received 5.5% of the votes succeeded KDNP (Christian Democratic Popular Party) that formerly received 6% of popular support – other than that, MPs only too well-known for a long time could greet each other on the benches of the Hungarian Parliament. Even at first glance, the stability transpiring from the above must put us on our guard. It is rather thought-provoking that the Hungarian multi-party system demonstrates such forceful diversity, while the structures of the party systems in all other countries of Central and Eastern Europe have changed several times. It is true, however, that significant changes could also be observed behind

the facade of constancy. The results of the second round of the general elections in May 1998 clearly indicated that one in three voters is tied to the left of the political spectrum and mainly considers MSZP (Hungarian Socialist Party) to be the significant political force on the left. Another third of the voters considers Fidesz (Alliance of Young Democrats) to be the main organizing force of the political right and a party capable of governance. The remaining third of the voters – and this also means a huge number of people – is less tied to a single party or ideology. This last third of the voters is sufficiently large to be able to decide – amidst the conditions of tight competition – on the balance of political power one way or another, and thus form the conditions of governance as well. By and large, the above are the most significant features of the structuring and social background of the Hungarian multi-party system, in its tenth year following the change in the political system. We must add here that there are no significant masses behind our political parties. Even the largest political parties in Hungary have a membership of 30-40 thousand at the most. In other words: the total membership of all six parties in Parliament makes up about 3% of the voting population, i.e., even the parties in Parliament have an extremely thin factual societal base. Such diminutive sociological features must at any rate be borne in mind if we wish to understand and explain the developments in the party system over the past two years.

Post-election Euphoria

From June 1998, public support for Fidesz, the winner of the elections, had been rising to unprecedented high levels. For six months, over half of the voters having their own preferences not only acknowledged the winner, but came down on the right side of the fence. Interestingly enough, the political hinterland of the Socialists did not collapse, but grew steadily at 25–30%, i.e., the decisive majority of their voters remained loyal to them. As early as at this point, it was noticeable that 80% – the overwhelming majority – of the voters willing to cast their ballots in favor of a given political party kept only Fidesz and MSZP in view, and this attitude has since become a prevailing characteristic of public opinion surrounding the present party system in Hungary. As for the other parties in Parliament, even earlier support for them seemed to start to slowly fade. At the beginning of a new government term it is undoubtedly very difficult to separate public perception within a wider arena of the relevant political parties and of the most significant opposition group in Parliament. That was also the case in late 1998. The wide-ranging optimism that surrounded the coalition government led by FIDESZ radiated in a natural way to the leading coalition party as well, just like the insecurity in opposition of the Socialists could be precisely read out from the decreased support their party received. So the figures of the six months following the general elections can be interpreted as if some kind of consolidation had been taking place on either side of the political spectrum. The hitherto heterogeneous, weak, and loosely tied right, closing its ranks behind Fidesz, became unified, and the losing left, standing by the Socialists, appeared to be a very disciplined political force of a similar magnitude.

Restructuring in 1999, from January till September

The Year 1999 could be described with four very important phenomena. On the one hand, the government's dominance was broken, and support of Fidesz grew weaker by the month. It grew weaker by 1 or 2%, but the decrease was steady. Some public opinion research institutes measured the government's performance and the trend in the public's satisfaction/dissatisfaction with the politicians without regard to political parties. The results could demonstrate that disillusionment in the government and Viktor Orbán's loss of popularity show a much steeper downward slope than the decrease in the authority of the Fidesz party.

On the other hand, almost equally slowly but steadily, in parallel with the downward trend of the governing party, the acceptance of the Socialists increased. The two trends crossed sometime between late May and early June, and the change-over became unambiguous by the autumn of 1999. Various pollsters indicated a 12 to 18% advantage on the Socialists' side, i.e., the radical

change became apparent for everyone.

Thirdly, the loss of support of the lesser parties continued, consequently the influence of visionaries of a bipartite, alternating political system became stronger in the public opinion. Finally – fourthly – the rate of hesitant voters, hiding their own preferences or the rate of citizens protesting against politics by absenting themselves from the general elections or abstaining during the elections visibly increased, but these signs were not considered to be significant enough to change the political structure.

New Developments in the Spring of 2000

The governing party – contrary to its statements – drew the appropriate conclusions from the new balance of forces surprisingly soon; partly by giving up policies of open polarization and of seeking enemies, by placing the propagation of existing and non-existing achievements in the forefront instead, partly by separating – after a brief debate – within the Fidesz the prime minister's function from the party president's function. Neither the governing MDF (Hungarian Democratic Forum) nor Gyula Horn were capable of achieving this in their respective terms in office. Fidesz, led by László Kövér, assumed the radical anti-communist right-wing style, and the prime minister could afford to practice the role of the all-national integrative leader.

MSZP (Hungarian Socialist Party) has no idea what to do with its somewhat unexpectedly acquired popularity. On the one hand, they are unprepared for the continuous demonstration of a competitive governance alternative, and they are unable to manage the irreconcilable internal struggles of the party's various groups in a civilized manner in the face of publicity. At the end of the day, MSZP made a disaster of Miklós Németh's return to the political arena. Everyone believed that the come-back of the former head of government will all the more increase the Socialists' odds of winning. By contrast, all persons involved made every possible mistake in political communication, and there is now a chance that the expected advantage will turn into a disadvantage. The Németh issue cast a bright light on all the unresolved internal problems of MSZP. (In December 2000 it is still to be seen whether the favorable or the dishonorable traits of the party will prevail before the next elections.)

In the shadow of the cautious attempts made by the two large parties to rearrange the balance of power, the lesser parties also try to draw their own profile with forceful lines. At first it was the initiative named Békejobb (Literally "Peace Right" – a Hungarian phrase similar to "Pipe of Peace", but its close meaning is the right hand extended for a handshake as a sign of reconciliation – roughly "Right Hand As a Sign of Peace") – an attempt at a compromise – that aroused unexpected agonies. Fractions of the former MDF, having evaluated the situation, decided that they ought to prepare for the contingency if the Fidesz should lose a significant number of voters due to governance mistakes. They – MDF, that is – believe that there should be an eligible, moderate right wing alternative. Surprisingly but explicably, this attempt aroused the least objections in Fidesz and FKGP (Independent Smallholders' Party) [– and received the most encouragement from the other side of the political spectrum]. Public opinion undoubtedly received this modest attempt at pluralization, even though party-preference figures did not really confirm the "Békejobb" politics. SZDSZ (Alliance of Free Democrats) continued to try and find its place in this impossible situation, and events in the first three quarters of the year indicated that the free democrats are the number one losers of the fact that Parliamentary publicity has been pushed into the background. MIÉP could, with some degree of self-irony, state that the mistakes and shortcomings of all other political players strengthen its position – for the most part in an indirect way, of course. The permanent scandals within the Smallholders' Party, the collapse of their voter base was a priori favorable to MIÉP. The ever more embittered war between MSZP and Fidesz on the front of domestic policy, evincing little faithfulness to principles, also revalue MIÉP's supply of themes for political discourse. In addition, there are more and more indications that the government coalition – on the occasions of heated votes in Parliament with an uncertain end-results – a priori counts on

external support from the ranks of the MIÉP.

Dilemmas at the Turn of the Millennium

By and large, the parties arrived at the threshold of the new millennium under the conditions described above. A few more minor changes took place in late 2000, which do not necessarily alter the big picture, but can serve as a starting point for new developments.

Fidesz is apparently concerned by the unstoppable crisis of its coalition partner, FKGP, and the question of what course of action can place the biggest obstacle in the way of the widest possible right wing unity or alliance in the future is still in the balance: is it Fidesz saving the smallholders or is it Fidesz letting them fall apart? And then we have not even given enough emphasis to the question of what should be done about the lesser allies of Fidesz. Apparently, all the political forces that are self-confident about their own ability to obtain, without external support, five percent of the votes during the next general elections believe that merging in a big collective party is not an urgent task for the immediate future.

At the end of 2000, more and more members of MSZP realized that they should form an election alliance before the next general elections. At this point in time even the unity and alliance within the MSZP seems to be a hard nut. As for the other political parties, there is pretty little willingness among them to openly join forces with the Socialists before the elections.

By electing Gábor Demszky president of the party, SZDSZ also decided to go their own way. This political enterprise for the time being seems to be a game of double or quits. If the masses that are disillusioned by Fidesz but do not wish to see MSZP in government again are really so large, then SZDSZ's attempt to build up the third option can be successful. If, however, voters believe that it is only MSZP that can beat the present government, SZDSZ can easily – and for good – be erased from the political map.

All the same, the role of the “third force” is being picked by more and more. The Békejobb movement and MIÉP as well – although departing from different considerations.

Some General Conclusions

Hardly a year and a half before the next elections, the structure of the domestic parties exhibits a rather enigmatic picture.

If we look at the surface, we are under the impression that two opposing parties dominate the political arena with elemental force and in an exclusive way. Looking at a two-year trend, however, this dominance is only too problematic.

MSZP has not been able to unambiguously distil disillusionment and dissatisfaction into victory, into an possible counter-strike. It is more precise to say that although their victory is possible under favorable conditions, but it may not be sufficient for governance.

Fidesz may have lost some of its popularity, but not to an extent to rule out its victory again at the next elections. By driving the two-year budget through Parliament, Fidesz has undoubtedly won itself the exceptionally advantageous position of a “disposer” for the months preceding the spring of 2002. No one knows, however, whether the Hungarian voter can be influenced en masse by effulging direct material benefits.

The future of the party structure is most likely to be delineated by the fact, that the rate of undecided, taciturn voters, keeping their preferences to themselves has never been so high as at the very end of 2000. This number kept rising all year through, and by the final months of the year the number of hesitant voters was almost as high as the number of voters with party preferences. And a very significant portion of the hesitant voters, most likely some 1.5 million people will in the end take part in the elections and they can decide – either way – on the future of the party structure now resting on a delicate balance.

The outcome of all this may be a re-election of the present government with absolute majority in Parliament, but a landslide Socialist victory can also be expected with equal reason. And if those

who sit on the fence until the very end will take side with any one party of the “third force”, the Hungarian party structure can go through some elemental changes.

As can be seen from the above: there are too many unpredictable factors here which rule out the possibility to undertake any forecast of substance with any degree of responsibility. Only one thing is certain one and a half years before the next elections: the structure of the Hungarian parties may inherently include the possibility of quite unexpected events as well.

László Kéri

Independent State-run Organizations

Tax and Financial Auditing Office (APEH)

1054 Budapest, Széchenyi rkp. 2. Phone: 428-5100, 428-5550. Internet: <http://www.apeh.hu>
President: Ildikó Vida. Vice President: István Kalmár, Dr. Szabolcs Vámosi-Nagy, Dr. Árpád Varga. Press Spokesman: Attila Burillák, Phone: 428-5266. Director of Secretary's Department: József Nagy, Phone: 428-5491, Fax: 428-5492.

Agricultural Management Office

1055 Budapest, Kossuth Lajos tér 11. Phone: 332-2992, 301-4171. Fax: 301-4702. President: Dr. István Nagy, E-mail: istvan.nagy@fvm.hu

National Public Health and Medical Officer Service

1097 Budapest, Gyáli út 2-6. Phone: 215-5313. Fax: 215-4492. National Chief Medical Officer: Dr. Ilona Molnár. National Pharmacist Officer: Dr. Ferenc Fábián.

Inspectorate General for Consumer Protection

1088 Budapest, József krt. 6. Phone: 459-4800. Fax: 210-0741. Director-General: Dr. Gábor Huszay. Deputy Director-General: Dr. István Geri. Press Secretary: Dr. Sándor Dékány, Phone: 459-4928, 0630/992-5910.

Office for Economic Competition

1051 Budapest, Roosevelt tér 7-8. (Postal address: 1245 Budapest, P.O.Box 1036). Phone: 312-8400, 312-5231. Fax: 311-5428. President: Dr. Zoltán Nagy. Vice President: Dr. Márta Nagy. Press Secretary: Géza Polgárdy.

Office for Hungarians Living Abroad

1016 Budapest, Bérc u. 13-15. (Postal address: 1518 Bp. 112, P.O.Box 43). Phone: 466-9406, 466-9434. Fax: 385-2601. Internet: <http://www.htmh.hu> E-mail: htmh@mail.datanet.hu. President: Tibor Szabó, Phone: 385-6313. General Vice President: János Báthory, Phone: 385-6325. Economic Vice President: Tibor Misovicz, Phone: 466-9405.

National Headquarters of Border Guards

1021 Budapest, Labanc u. 57. (Postal address: 1525 Bp., P.O.Box 47). Phone: 456-7100, 456-7171, 456-7162 (also fax). National Commander: Gen. József Benedek. First Deputy Commander: Gen. Dezső Kovács (Director General of the Police). Deputy Commanders: Gen. István Unger (Economic General Director). Spokesman: Col. Attila Krisán, Phone: 456-7187 (also fax).

Communication Authority

1015 Budapest, Ostrom u. 23-25. (Postal address: 1525 Bp., P.O. Box 75). <http://www.hif.hu>
President: Mr. Gábor Frischmann, Phone: 457 7330, Fax: 457 7359, E-mail: frischmann@hif.hu.
Executive Vice President: Dr. Gyula Sallai, Phone: 457 7244, Fax: 457 7119, E-mail: sallai@hif.hu.
Vice President, International: Dr. Iván Schmideg, Phone: 457 7384, Fax: 457 7121, E-mail: schmideg@hif.hu. Director, International Cooperation: Mr. Gábor Szathmáry, Phone: 457 7275, Fax: 457 7171, E-mail: szathmary.gabor@hif.hu. Director, International Organizations: Dr. András Somogyi, Phone: 457 7313, E-mail: somogyi.andras@hif.hu. Director, International Documentation: Ms. Andrea Sajó, Fax: 457 7171, E-mail: sajo.andrea@hif.hu

Treasury and Property Directorate

1054 Budapest, Zoltán u. 16. (Postal address: 1392 Bp., P.O.Box 282). Phone: 331-1500. Fax: 312-1828. Managing Director: Dr. Zoltán Molnár. Deputy Managing Director: Dr. Izabella Bencze, Dr. Tibor Cserepes, Dr. Béla Kotnyek.

Governmental Supervisory Office

1126 Budapest, Tartsay Vilmos u. 11/A. Phone: 224-6800, 356-5611. Fax: 224-6802. President: Dr. Tamás Sepsey. Vice Presidents: Dr. Péter Janza, Dr. Pál Németh.

Main Inspectorate for Environmental Protection

1011 Budapest, Fő u. 44-50. Phone: 457-3540, 457-3545, 201-1725 (direct line). Fax: 201-4282. Head: Dr. Katalin Ughy. Deputy Head: Margit Takács.

Main Inspectorate for Transport

1066 Budapest, Teréz krt. 38. Fax: 332-6532. Director General: István Hunyadi, Phone: 312-2454. Deputy Director General: Dr. István Békési, Phone: 331-4956.

National Office of Statistics (KSH)

1024 Budapest, Keleti Károly u. 5-7. Phone: 345-6000. Fax: 202-0739. Internet: <http://www.ksh.hu>
President: Dr. Tamás Mellár. Vice Presidents: Dr. Eszter Bagó, Ferenc Helt, Dr. Lőrinc Soós, Dr. Gabriella Vukovich.

Hungarian Mining Agency

1051 Budapest, Arany János u. 25. (Postal address: 1372 Bp., P.O.Box 477). Phone: 331-5728, 269-3750. Fax: 269-0733 (presidential). Internet: <http://www.mbh.hu> E-mail: mbh@mbh.hu President: Viktor Malárics. Vice President: Dr. Antal Járai.

Hungarian Energy Agency

1081 Budapest, Köztársaság tér 7. Phone: 459-7701, 459-7702 (also fax). Director General: Dr. Péter Kaderják. Director: Ferenc J. Horváth (for energy supply).

Hungarian Geological Survey

1143 Budapest, Stefánia út 14. (Postal address: 1440 Bp., P.O.Box 17). Phone: 267-1421, 267-1425. Fax: 251-1759. Internet: <http://www.mgsz.hu> E-mail: mgsz@mgsz.hu Director General: Dr. István Farkas.

The Hungarian Geological Survey is the governmental agency for the national issues of geology and geophysics. Under the auspices of the Minister, Ministry of Economic Affairs and governed by the

Director General, it is budgeted (for the public service activity) by the government. It was established in 1993, in the course of the national public administration reform, as a successor of the Central Geological Bureau of Hungary. The history of the public service and expert authority in geoscience goes back to 1869, when the Geological Institute was founded, and to 1919, when the Eötvös Institute of Geophysics was transferred to public entity (forming the first institute of geophysical prospecting all over the world). Public domain tasks (authority procedures, resource assessment, national geoinformation service) and scientific duties on geology and geophysics are separated, but the integrated structure maintains the effective way of operation.

Mission

Similarly to the surveys operating in Western Europe, the Survey aims at satisfying both governmental and public demands to:

- fulfil legal duties in the field of expert authority, mineral resource assessment and geoscience information service as a part of the state and regional administration process;**
- run core research projects that are considered important by the government agencies, using the brain capacity, equipment and data processing background of the Institutes;**
- provide client services on the basis of the Institutes' competencies, matching the particular geological structure of this country;**
- reinforce its adequate role as a public entity of the administration in the geoscience sector, disseminating the due information for the expert audience and for the general public;**
- pave the way of the national geoscience when returning to the European Community, working on duties while Hungary is on preparation for membership of the European Union.**

Some of the activities are managed as long-term public service duties, defined by law, due heritage, or adequate necessity. Apart from the authority and information-management objectives, running of libraries (National Library of Geology, Geophysical Library), collections (Geological Museum, Eötvös Collection, Core Sample Archives), reference networks (e.g. Gravity Network, Well-logging Metrologic Station) and observatories (Tihany and Mátyáshegy) is in this line.

Relatively short-term activity of research and prospecting are performed in a project system with defined objectives and sources, utilising grants and other sources as well.

Structure

The Survey as a whole consists of public service units (forming the Directorate General) and the research institutes (Hungarian Geological Institute, MÁFI and the Eötvös Loránd Geophysical Institute, ELGI)

Inside the Directorate General, the division-level Geological Expert Authority assists governmental authorities with supervision, expert assessments, and mineral reserve inventory. For local and regional issues, the seven Regional Offices make the first-instance level authorities. The Information Centre collects and saves geoscience data and makes available for public, running the National Archives of Geology and Geophysics as well as Geotechnical Archives. Financial matters and logistics for the total Survey are operated by the Office Of Finance. Small units of public and external relations together with the human resource management are directly commanded by the Director General.

Supreme Command of the Hungarian Home Defense Forces

1055 Budapest, Balaton u. 7-11. Phone: 474-1111, 474-1209 (direct line). Fax: 474-1207. Internet: <http://www.honvedelem.hu> Chief of Defense, Chief of Staff: Gen. Lajos Fodor.

Information Office of the Republic of Hungary

Postal address: 1539 Budapest, P.O.Box 600. Phone: 202-1994 (also fax). Director General: Gen.

Tibor Pető.

Office of Military Intelligence of the Republic of Hungary

Postal address: 1052 Budapest, P.O.Box 117. Phone: 386-9344, 372-1805 (Gen. Dir.). Fax: 372-1934. Internet: <http://www.kfh.hu> Director General: Gen. László Botz.

National Bank of Hungary (MNB)

1054 Budapest, Szabadság tér 8-9. (Postal address: 1850 Budapest). Phone: 302-3000, 302-3685, Fax: 332-3913. Internet: <http://www.mnb.hu> President: Dr. György Surányi. Vice President: Werner Riecke.

Hungarian Patent Office

1054 Budapest, Garibaldi u. 2. Phone: 312-4400, 269-0795, Fax: 331-2596. Internet: <http://www.hpo.hu> E-mail: mszh@hungary.com President: Dr. Miklós Bendzsel. Vice Presidents: Dr. Gusztáv Vékás, Mrs. Márta Posteiner Toldi. Press Secretary: Péter Grosschmid, Phone: 474-5953, Fax: 474-5707.

Hungarian Standardization Board

1091 Budapest, Üllői út 25. Phone: 456-6800, Fax: 456-6823. Internet: www.mszt.hu Acting Chairmen: Péter Simon, Károly Vígh. Managing Director: György Pónyai. Press Secretary: Mrs. Zoltán Berczik.

Hungarian Space Research Agency

1054 Budapest, Alkotmány u. 27. Phone: 301-0969. Fax: 301-0979. Director: Dr. Előd Both.

National Security Agency of the Republic of Hungary

1055 Budapest, Falk Miksa u. 9. Phone: 318-9822. Fax: 331-2154. Internet: <http://www.nbh.u> E-mail: nbh@mail.matav.hu Director: Gen. Gábor Dobokay.

National Accreditation Board

1119 Budapest, Tétényi út 82. (Postal address: 1464 Budapest, P.O.Box 1581). Phone: 204-5432, 204-5362. Fax: 204-5075. Managing Director: Dr. Rózsa Ring.

Office of National and Ethnic Minorities

1133 Budapest, Pozsonyi út 56. (Postal address: 1388 Budapest, P.O.Box 73). Phone: 237-4400, 239-4774 (direct line). Fax: 239-0009. Internet: <http://www.meh.hu/nekh>. President: Dr. Toso Doncsev. Vice Presidents: Dr. Gabriella Varjú, Antal Heizer.

National Cultural Fund

1062 Budapest, Bajza u. 32. Phone: 322-6808, 351-5462, 351-5463. Fax: 352-7230. Internet: <http://www.nka.hu> Chairman of the Board: Marcell Jankovics. Director: Pál Perlik. Deputy Director: Dr. Gabriella Mesterházy-Fogarasi.

National Atomic Energy Commission

1024 Budapest, Margit krt. 85. Phone: 355-9764. Fax: 375-7402. Chairman: Dr. György Matolcsy.

National Atomic Energy Agency

1024 Budapest, Margit krt. 85. (Postal

address: 1539 Budapest 114, P.O.Box 676

Phone: 355-9764. Fax: 375-7402. Internet: <http://www.haea.gov.hu> Director General:

Dr. József Rónaky. Deputy Director General:

Dr. László Koblinger, Lajos Vöröss, Phone:

355-0528.

National Health Insurance Financial Office

1139 Budapest, Váci út 73/A. (Postal address: 1565 Budapest, P.O.Box 18). Phone 350-2001. Fax:

350-8656. Internet: <http://www.oep.hu> Director General: Zsolt Lampé. Deputy Director General:

Gyöngyvér Bajtek. Press Secretary: Mrs. András Bartos, Phone: 350-1636, fax: 359-6654.

National Board of Tourism

1051 Budapest, Vigadó u. 6. Phone: 235-4500, 235-4558 (direct line). Fax: 235-4406. Chairman: Jenő

Lasztovicza, Phone: 235-4548. Co-Chairman: Dr. Zoltán Budai. Deputy Chairman: Dr. András

Rubovszky.

National Directorate General for Disaster Management (Ministry of Interior)

1149 Budapest, Mogyoródi út 43. (Postal address: 1903 Budapest, P.O.Box 314). Phone: 469-4100.

Fax: 469-4169. Director General: Dr. György Bakondi. Deputy Director General of Emergency Management, councillor: Maj-Gen. István Orovecz. Deputy Director General of the Authorities, councillor: Brig-Gen. Attila Tatár. Spokesman: György Szentes, Phone: 469-4154, 0620/9237-516.

National Council for Environmental Protection

1011 Budapest, Fő u. 44-50. Phone/fax: 457-3347. Internet: <http://www.okt.hu> E-mail:

okt@okt.ktm.hu Chairman: László Haraszthy. Co-Chairman: Dr. Ferenc Ligetvári. Deputy

Chairmen: Dr. Péter Biacs, István Láng. Secretary General: Dr. Miklós Balla.

National Meteorological Service

1024 Budapest, Kitaibel Pál u.1. Phone: 346-4600, 346-4660 (direct line). Fax: 346-4669. Internet:

<http://www.mets.hu> Head: Dr. Iván Mersich, E-mail: mersich@met.hu

National Office of Measurements

1124 Budapest, Németvölgyi út 37-39. Phone:

156-7722. Fax: 155-0598. President: Dr. Péter Páray. Vice President: Dr. Péter Pataki.

The Hungarian Labor Inspectorate (OMMF)

1051 Budapest, Roosevelt tér 7-8. (Postal address: 1399 Budapest, P.O.Box 639). Phone: 474-9428,

474-9414 (direct line). Fax: 474-9417 (direct line). E-mail: ommf@elender.hu Director General: Dr.

András Békés.

OMMF is a national agency under the supervision of the Minister of Health and Social Affairs. Occupational safety inspection is the chief task of OMMF which employs dedicated labor inspectors with the usual powers under international labor conventions (ILO Conventions 81 and 129). The Inspectorate's competence covers almost the whole of the economy including manufacturing, agriculture, construction, and the public sector. The only exceptions are mining, the armed forces, radiation protection, and the use of nuclear energy.

Employment Inspection. The Labor Inspectorate is also responsible for the inspection of the general conditions of labor and of illicit employment. These areas include discrimination in employment, of women, young people and the disabled, working hours and overtime, resting hours and paid leaves, minimum wages, the employment of foreigners, employment etc.) Approximately 50% of the Labor Inspectorate's work concerns employment inspection, while 50% concerns safety inspection. The structure of the Labor Inspectorate is regional; there are 20 local inspectorates in the 19 counties and the capital. Their professional control is exercised by the headquarters of OMMF. Particularly hazardous sectors in Hungary are metallurgy, construction and the manufacture of building materials, power generation, the chemical and the pharmaceutical industries, and agriculture. Most cases of non-compliance are found in the building industry, trading, and catering. Sensitive areas of employment are the work of women and young people, working hours and overtime, minimal wages, the employment of foreigners and the lack of written contracts. The inspectors OMMF visited 43,241 employers in 1998, and took action in more than 180 thousand cases altogether, including the application of financial sanctions totaling more than HUF 1,131 million.

National Directorate General for Pensions Insurance

1132 Budapest, Visegrádi u. 49. (Postal address: 1554 Budapest, P.O.Box 70). Phone: 270-8000. Fax: 270-8151. Internet: <http://www.onyf.hu> Director General: Dr. József Mészáros. Deputy Director General: Dr. László Gelencsér, Mihály Szajki, Ferenc Vágújhelyi.

National Police Headquarters (ORFK)

1139 Budapest, Teve u. 4-6. Phone: 443-5500. Internet: <http://www.orfk.hu> Head: Maj.Gen. Dr. Péter Orbán. Deputy Head: Gen. László Ferenczi (Director General for Criminal Affairs), Gen. Dr. József Hatala (Director General for Public Security), Co. Zoltán Jenei (Business Director). Communications Director: Col. Dr. László Garamvölgyi, Phone: 443-5583; Fax: 443-5544; E-mail: kommig@mail.datanet.hu

National Directorate General for Water Management

1012 Budapest, Márvány u. 1/C. (Postal address: 1410 Budapest, P.O.Box 213). Phone: 375-1244, 201-1053. Fax: 375-3967. E-mail: ovfoig@mail.matav.hu Director General: Dr. Miklós Varga. Deputy Director General: György Jakus.

Supervisory Board for Gambling

1051 Budapest, Sas u. 23. Phone: 311-3650. Fax: 252-9370. Internet: <http://www.szf.hu> E-mail: szf@mail.datanet.hu Chairwoman: Márta Sibinger.

Office for the Protection of Natural Habitat

1121 Budapest, Költő u. 21. Phone: 395-7093, 275-6192, 395-2604. Fax: 200-8880. Head: Dr. János Tardy.

Local Government Councils

Office of the Lord Mayor of the Municipality of Budapest

1015 Budapest, Városház u. 9-11. Phone: 327-1000. Fax: 327-1819. Lord Mayor: Dr. Gábor

Demszky (SZDSZ), Phone: 327-1023. Deputy Lord Mayors: János Atkári (SZDSZ), Dr. János Schiffer (MSZP), Dr. Andrea Szolnoki (SZDSZ), Pál Vajda (MSZP). Chief City Clerk: Dr. Zsolt Tiba. Press Secretary: Bálint Jankó, Phone: 327-1071, 327-1029; Fax: 327-1824, 327-1826.

Budapest District Mayor's Offices

1st District – Local Government of the Buda Castle area

1014 Budapest, Kapisztrán tér 1. Phone: 458-3000, 458-3012. Fax: 458-3081. Mayor: Dr. Gábor Nagy (Fidesz-MDF).

2nd District

1024 Budapest, Mechwart tér 1. Phone: 212-5291, 212-5353 (mayor, also fax). Mayor: György B. Bencze (Fidesz-MDF).

3rd District

1033 Budapest, Fő tér 3. Phone: 388-6760, 437-8500, 437-8696 (mayor). Fax: 437-8586. Mayor: István Tarlós (independent).

4th District

1041 Budapest, István út 14. Phone: 369-3333, 369-1210 (mayor). Fax: 379-6968. Mayor: Dr. Tamás Dercze (Fidesz-FKGP-MDF-Association for Újpest).

5th District

1051 Budapest, Erzsébet tér 4. Phone: 318-5990, 317-2073 (mayor). Fax: 267-2357. Mayor: Károly Karsai (Fidesz-FKGP-MDF-MDNP).

6th District

1067 Budapest, Eötvös u. 3. Phone: 342-0901, 342-0502 (mayor). Fax: 322-5202. Mayor: György Farkas (Fidesz-FKGP-MDF-MKDSZ).

7th District

1073 Budapest, Erzsébet krt. 6. Phone: 462-3000, 462-3204 (mayor). Fax: 342-4732. Mayor: Dr. Zoltán Szabó (MSZP-SZDSZ).

8th District

1082 Budapest, Baross u. 65-67. Phone: 459-2100, 210-15-18 (mayor). Fax: 313-9023. Mayor: Béla Csécsi (SZDSZ).

9th District

1092 Budapest, Bakáts tér 14. Phone: 215-1077, 217-1725 (mayor). Fax: 217-1781. Mayor: Dr. Ferenc Gegesy (SZDSZ).

10th District

1102 Budapest, Szent László tér 29. Phone: 261-3333, 262-0953 (mayor). Fax: 261-1113 (mayor). Mayor: István György (Fidesz-FKGP-MDF-MDNP).

11th District

1113 Budapest, Bocskai út 39-41. Phone: 372-4500, 372-4638 (mayor). Fax: 466-5287. Mayor: Dr. Katalin Juhos (Fidesz-MDF-FKGP-MDNP).

12th District

1126 Budapest, Böszörményi út 23-25. Phone: 355-1244, 224-5949 (mayor). Fax: 224-5905. Mayor: György Mitnyan (Fidesz-MDF-MKDSZ-MDNP).

13th District

1139 Budapest, Béke tér 1. Phone: 452-4100, 340-3120 (mayor). Fax: 350-1045. Mayor: Dr. József Tóth (MSZP-SZDSZ).

14th District

1145 Budapest, Pétervárad u. 2. Phone: 251-8333, 251-8063, 252-1770 (mayor). Fax: 252-1669. Mayor: Dr. Zsuzsanna Kutalik-Kardos (SZDSZ-MSZP).

15th District

1153 Budapest, Bocskai u. 1-3. Phone: 305-3100, 307-6479 (mayor). Fax: 307-7360. Mayor: László Hajdu (MSZP).

16th District

1163 Budapest, Havashalom u. 43. Phone: 401-1400, 401-1401 (mayor). Fax: 401-1419. Mayor: Dr. Mátyás Lajos Szabó (MSZP-SZDSZ).

17th District

1173 Budapest, Pesti út 165. Phone: 257-3333, 257-5326 (mayor). Fax: 256-0661. Mayor: Dr. Katalin Devánszki-Molnár (MSZP-SZDSZ).

18th District

1184 Budapest, Üllői út 400. Phone: 290-2021, 291-5888 (mayor). Fax: 290-2182. Mayor: Dr. László Mester (MSZP).

19th District

1195 Budapest, Városház tér 18. Phone: 282-9600, 347-2524 (mayor). Fax: 280-7241. Mayor: Béla Timár (Fidesz-FKGP-MDF-MKDSZ).

20th District

1201 Budapest, Kossuth Lajos tér 1. Phone: 283-0640, 283-0549 (mayor). Fax: 283-0061. Mayor: Ákos Szabados (MSZP).

21st District

1211 Budapest, Szent Imre tér 10. Phone: 276-6622, 276-6110, 276-3951 (mayor). Fax: 277-3915. Mayor: Mihály Tóth (MSZP).

22nd District

1221 Budapest, Városház tér 11. Phone: 229-2611, 229-2620 (mayor). Fax: 229-2697. Mayor: Attila Szabolcs (Fidesz-FKGP-MDF).

23rd District

1239 Budapest, Grassalkovich út 162. Phone: 287-3155, 287-3154 (mayor). Fax: 287-3157. Mayor: Ferenc Geiger.

Two and a Half Years of Parliament

Although the coalition led by Fidesz Hungarian Civic Party, which won the 1998 elections, was unable to amend any regulation to possibly change the operation of Parliament itself, the activities of Parliament have nevertheless been fundamentally altered. With the definite validation and exercise of its intentions and by overwriting the customary law of the previous two cycles, the small majority of the government generally adopted new methods. For instance when it achieved that Parliament should hold its plenary sessions every three weeks (and thereby the opposition could put in a word on political issues less frequently), or when it prevented the establishment of the investigating committees initiated by the opposition.

The current government led by Fidesz is powerless to modify the statutory background of Parliament's operation, primarily stipulated in the Constitution and in the Rules of Procedure, since owing to its inconsiderable majority, it has little chance of correcting any rules whose amendment is subject to a two-thirds majority. Recognizing this fact at the very first moment, the largest government party began to search the regulatory gaps immediately after its accession to power in the summer of 1998 and simultaneously it set to pushing the limits. In general, its coalition partners FKGP (Smallholders' Party) and MDF (Hungarian Democratic Forum) embraced it in spite of some internal debates on certain issues.

The 'couple' comprised of MSZP (the Hungarian Socialist Party) and SZDSZ (the Alliance of Free Democrats), partly limiting its very operation owing to its over two-thirds majority - enjoyed in the previous cycle but now relegated to the opposition - first experienced the clear intentions of the coalition during the assignment of seats to the standing committees of Parliament. The efforts already distinguishable at that time led to transforming the working order of Parliament, formerly holding its sessions every week in the preceding eight years, in consequence of which - except for the periods of sessions on the current budget - the Members should only hold their plenary sessions every third week. The underlying interpretation gained wide grounds for the implementation of the above, which required the establishment of a new standing committee. This was a regulatory committee which, relying on its prior activities, always seemed to interpret the regulations in any significant issues according to the most topical government objectives. Consequently, by overwriting the originally two-thirds Rules of Procedure by a half majority of votes has virtually become and is still becoming a possibility and actual practice.

The new Rules of Procedure were actually adopted in September 1994 and the "constitution" of Parliament would be revised several times over the cycle ending in 1998. Nevertheless, ever since the change of the government, there has been no chance for any amendment, although along with the deletion of certain articles, the Constitutional Court called upon the MPs to make the necessary substitutions. Most of the missing articles contained rules that seem to be indispensable for the operation of Parliament. So, for instance and among other things, regulations on the conditions of faction foundation are still missing. Such reasons led to the foundation and - despite any resignations - to the continuing subsistence of a group of MPs forming MIÉP (Hungarian Justice and Life Party), which, in spite of having exceeded the five-percent Parliamentary limit at the elections, could only provide fourteen seats instead of the minimum fifteen stipulated. The lack of this very section also led to two attempts to establish a two-member faction initially with the participation of Sándor Cseh and Lukács Szabó, and later with Attila Szabó in the place of the latter. Several difficulties had to be overcome in order to prevent both initiations, which were achieved after all through fancy legal reasoning.

After all, the past two and a half years were characterized by the general lack of consensus between the government and the opposition, even if there were any exceptions. Examples are when the two parties managed to agree on filling the vacant seats of the Constitutional Court judges with expiring

mandates in a relatively short time and when after long-lasting reconciliatory meetings a two-thirds regulation could be adopted on local government incompatibility, about the permission of military troop movements and about organized crime among others.

From the point of view of the parties the replacement of the constitutional judges was for that matter focused on the aspects of political balance, which is sometimes also manifested in the decisions of the renewed body. While the opposition turns to the Constitutional Court in almost every debated question, the answers when already incorporated in the resolutions quite often resemble the Prophecy of Dodona. This is how and why the coalition and the opposition could interpret the decisions about, among others, parliamentary sessions or the rules of faction foundation to their own particular liking. In one of its most important decisions, the Constitutional Court prevented a socially-backed initiative which would have incapacitated the parliament to elect a President of the Republic.

The first keen-edged debate about the session meetings erupted before the local government elections in the autumn of 1998, when the Speaker of Parliament János Áder ordered a two-week break in the sessions. It was actually established prior to this order that the Speaker could as well decide not only about the agenda of the specific day but also about the frequency and date of the sessions without considering the potential contrary opinion of any factions participating in the parliament committee. The concept based on this prevailed after all in early 1999, when a three-week working order was introduced. The consequences of the decision require greater discipline from the government party, since the majority of the coalition had to vote in favor of the agenda submitted without a consensus, in most cases. Nevertheless, in the beginning the opposition had a chance to hamstring the acceptance of the agenda, for instance in May 1999 by obstruction and abstention.

The new operating order pressed the opposition for new reactions. The result was that both MSZP and SZDSZ attempted to initiate question times and extraordinary meetings on several occasions, however, the government parties foiled most of these plans either by their absence or through the revision of the designated agenda or in other cases they diverted the actions to a totally different direction. So far, the coalition parties have prevented the establishment of opposition-initiated investigating committees on every occasion without exception. Whereas seven investigating committees had been established and three committee reports, also approved by Parliament, were drafted in response to 21 initiatives in the previous cycle, no committee established by MSZP or SZDSZ commenced its actual activity from the summer of 1998. Even so, the government parties also believe that the institution is viable, as committees were effectively established for issues of observation, oil adulteration and recently the investigation of the property growth of certain Members of Parliament. The former two already completed their work under equally scandalous conditions.

While the government party's avowed intention was also to reduce the weight of the political debates in Parliament - less time to spend on speeches off the agenda - most of the scandalous issues which started outside the walls of Parliament led to decisions by the House and to debates preceding them. The latest example thereof was the house-building issue of the smallholder party's president József Torgyán, which began in the press and - after a series of speeches before the agenda, as well as prompt questions and interpellations - was later continued by an attempt to amend the act and establish an investigating committee. The changes exercised the least influence on the numerically expressible legislative activity of Parliament. Whereas six hundred parliamentary decisions were made in the first two and a half years of the previous cycle, the number of resolutions adopted between the summer of 1998 and the turn of the millennium was 605. Yet we have to admit that the decisions related to international treaties represented a somewhat greater proportion of the actual regulations and the modifications thereof than before. The final result of the working order is that the beginning of the individual sessions is practically exclusively devoted to debates about the bills, whereas the adoption of the bills is mainly concentrated by the end of the "six-month periods". With regard to legislation one of the most important innovations of the present government was the

attempt to modify the issues that in its opinion were related in a single “package”, which in cases led to the submission of bills such as the one on the operation of the state organization, containing hardly related - or non-related - corrections. The question of the taxation acts provides an extreme example of the “package plan”. Back in 1998, Parliament could still treat the issues of duties, personal income tax, or value added tax individually, whereas in 1999 and ever since, all the changes planned in this subject have been put forward to the MPs in just one bill. Consequently, the debates related to these regulations can only be held in narrow limitations. A likewise major “achievement” of the cabinet is the introduction of the three-year budget guidelines and - in particular - a two-year budget. Accordingly, the cabinet achieved that no debate can be held in Parliament on the subject of the budget all through the run-up period prior to the campaign of 2002, only in relation to the Act on Annual Accounts at the very most.

At the beginning of the cycle the cabinet made several attempts to have the two-thirds acts adopted and amended, however their number was later significantly reduced. The two most memorable attempts are interlinked with the Ministry of Justice. The portfolio led by MDF made a motion concerning the symbolic modification of the constitution (which would actually have transformed the basic act of 1949 to Act I of 2000) and the considerable diminution of the range of issues of any two-thirds provisions stipulated in the constitution, however both fell through. The government could also be characterized by the practice of “stealthy” act amendments, as it tries to amend certain regulations through other acts. An notable example was the amendment of the Act on the State Budget in the final account of the 1999 budget, which was designed to produce the legal background of adopting the two-year budget. It is now evident that the 2002 parliamentary elections will also be held according to the rules of the elective system achieved by the 1989 political meetings. Back in the beginning of the present cycle the parties made an attempt to lay down rules on the establishment of a Parliament working with significantly fewer MPs than today. Although each party publicly judged the adoption of a system which would delegate 200-250 MPs altogether to Parliament versus the present 386 as a necessary step, no agreement could be reached regarding methodology - notwithstanding the repeated attempts to put the topic on the agenda by the committee designated to prepare the elective reform.

Albert Gazda & Erika Tüske

Parties

Parties represented in Parliament

FIDESZ – Hungarian Civic Party

(Founded: 30 March, 1988). (Founding Congress: 20 November, 1988). (Registered in Court: 8 February, 1990). 1062 Budapest, Lendvay u. 28. Phone: 269-5353. Fax: 269-5343. Internet: <http://www.fidesz.hu> Composition of the Party Presidium: Chairman: Dr. László Kövér. Deputy Chairmen: Dr. János Áder, Dr. Tamás Deutsch, Dr. Zoltán Illés, Zoltán Németh, Zoltán Pokorni, Szilárd Sasvári, Dr. József Szájer, Mihály Varga. Members: Dr. Viktor Orbán (Prime Minister), Attila Várhegyi. Executive Director of the Party: László Horváth. Chairman of the National Board: Attila Várhegyi. Vice Chairmen of the National Board: Gábor Ágota, Attila Búza, József Láyér, Róbert Répássy, Károly Szita. Director of the Press Department: Attila Farkas, Phone: 269-5358.

Independent Smallholders', Agrarian and Civic Party (FKGP)

(Founded: 18 November, 1988). (Registered in Court: 4 January, 1990). 1056 Budapest, Belgrád

rkp. 24. Phone: 318-0976. Fax: 318-1824. Honorary President for Life: Vince Vörös. Chairman: Dr. József Torgyán. Deputy Chairmen: Kálmán Czoma, Géza Gyimóthy. General Secretary: Dr. Balázs Bernáth-Varga. Deputy General Secretaries: Dr. János Szabó, Dr. Béla Turi-Kovács. National Secretary for Organization: Gyula Balogh. Party Attorney General: Dr. Attila Bánk. Chairman of the Disciplinary Board: Dr. János Homoki. Chairman of the Supervisory Board: Pál Forster. Director of the Presidential Protocol Department: Mrs. Árpád Kósa. Spokesman: Béla Horváth, Phone: 441-5421.

Hungarian Democratic Forum (MDF)

(Founded: 27 September, 1987. Lakitelek). (Registered in Court: 11 December, 1989). 1027 Budapest, Bem tér 3. (Postal address: 1538 Budapest, P.O. Box 579). Phone: 212-4601, 212-4603, 212-4604, 212-4605. Fax: 356-8640. Composition of the National Presidium: Chairman: Dr. Ibolya Dávid. Deputy Chairmen: Dr. István Balsai, Dr. Miklós Csapody. Members: Dr. István Balsai, Dr. Péter Boross, Dr. Miklós Csapody, Dr. György Gémesi, Dr. Csaba Hende, Károly Herényi, Dr. András Kelemen, Péter Kis, Sándor Lezsák, Dr. László Medgyasszay, Tibor Viniczai. Party Director: Mária Kiss, Phone: 212-2826. Chairman of the National Board: Ágoston Székelyhidi. Deputy Chairmen: András Csáky, Katalin Filő.

Hungarian Socialist Party (MSZP)

(Founded: 17 October, 1989). (Registered in Court: 21 November, 1989). 1081 Budapest, Köztársaság tér 26. Phone: 210-0046, 210-0078, Fax: 210-0081. Internet: <http://www.mszp.hu> Composition of the National Presidium: Chairman: László Kovács. Executive Vice Chairman: Péter Kiss. Vice Chairmen: Mónika Lamperth, Gyula Molnár. Members: Sándor Burány, György Jánosi, György Keleti, Ferenc Kósa, Mrs. Magda Kósa Kovács, Dr. Sándor Orosz, Dr. Imre Szekeres, Dr. Iván Vitányi. Chairman of the National Board: György Földes. Deputies: István Hiller, Dr. László Toller. Press Secretary: András Dékány, Phone: 210-0011 (also fax), 333-9743. Director of the Media Relations: Jenő József Szabó.

Alliance of Free Democrats (SZDSZ)

(Founded: 13 November, 1988). (Registered in Court: 18 January, 1990). 1143 Budapest, Gizella út 36. Phone: 223-2050, Fax: 221-0579. Internet: <http://www.szdsz.hu> E-mail: press@szdsz.hu. Chairman: Dr. Gábor Demszky. Members of the Executive Board: András Bóhm, Dr. Gábor Demszky, Dr. Gábor Fodor, József Gulyás, Dr. Péter Hack, Miklós Haraszti, Dr. Zoltán Kis, Mária Kóródi, László Rajk, István Sértő-Radics, Dr. István Szent-Iványi, Dr. Ferenc Wekler, Péter Zwack. Presidency of the National Council: Gabriella Béki. Members: Dr. Mihály Czuczi, Dr. Mária Kóródi, Domokos Szász, Péter Zwack. Party Director: Dr. Ferenc Wekler. Press Secretary: Dorottya Czuk.

Hungarian Justice and Life Party (MIÉP)

1085 Budapest, Rökk Szilárd u. 19. Phone: 317-2692 (also fax), 317-3988. Chairman: István Csurka. Deputy Chairmen: Dr. László Bognár, Dr. Zoltán Fenyvesi. Spokesman: Béla Győri, Phone: 218-0783, 218-0785. Campaign Director: Gizella Papolczy, Phone: 0620/9437-137.

Political groups in the National Assembly

Group of the Association of Young Democrats (Fidesz)

Dr. János Áder, Gábor Ágota, Sándor Arnóth, Mihály Babák, György Balla, Mihály Tibor Balla, István László Balsay, Erik Bánki, dr. László Bartha, Tamás Báthly, István Bebes, Zsolt Becsó,

Ildikó Bernáth, Tivadar Birkás, István Bóka, Károly Borkó, dr. Márton Braun, Lajos Búsi, György Czerván, dr. József Dancsó, dr. Deutsch Tamás, József László Domokos, dr. Lajos Dorkota, Sándor Endre, Sándor Farkas, dr. Sándor Fazekas, Tamás Fehérvári, dr. János Fónagy, dr. Imre Frajna, Béla Glattfelder, dr. Árpád Gógl, Tibor Gubicza, Zoltán Gyapay, István Gyimesi, dr. József Gyimesi, dr. Péter Györkös, András Gyürk, Sándor Hadházy, János Halász, dr. János Hargitai, Péter Harrach, János Herbst, János Homa, dr. János Horváth, László Horváth, dr. Zsolt Horváth, dr. Richárd Höresik, dr. Zoltán Illés, Zsolt Imre, dr. Tamás Isépy, Ferenc Ivanics, István Ivanics, István Járvás, dr. Róbert Juharos, Mihály Kádas, dr. János Kerényi, dr. Csaba Koczka, Ildikó Koltai, Ferenc Koncz, Lajos Kósa, dr. Dénes Kosztolányi, Ferenc Kovács, dr. Zoltán Kovács, Péter Kozma, Attila Körömi, dr. László Kövér, Jenő Lasztovicza, dr. János Latorcai, József Láyér, Mózes Lázár, András Lenártek, Tibor Lévai, László Mádi, dr. Kristóf Mánya, Attila Márton, dr. György Martonosi, dr. Márta Mátrai, dr. Éva Mikes, Oszkár Molnár, dr. Gábor Nagy, Zsolt Németh, László Nógrádi, András Nyitray, dr. Ferenc Ódor, dr. Viktor Orbán, Albert Oszlár, dr. Csaba Öry, Károly Pánczél, dr. János Pap, Jenő Perlaki, Tibor Pogácsás, Zoltán Pokorni, Kornél Polonyi, dr. László Pósn, Árpád Potápi, Rákos Tibor, dr. András Rapcsák, dr. Róbert Répássy, Máriusz Révész, Zoltán Rigler, Rockenbauer Zoltán, Antal Rogán, dr. György Rubovszky, Róbert Ruchti, József Sági, dr. László Salamon, dr. Gyula Ede Sáringer, Szilárd Sasvári, Ferenc Schmidt, Gabriella Selmeczi, István Simicskó, Éva Steiner-Vasvári, dr. László Surján, dr. Csaba Sümeghy, dr. Erika Szabó, Ferenc Szabó, István Szabó, dr. József Andor Szabó, dr. József Szájer, dr. Imre Szakács, Annamária Szalai, András Szinyei, Károly Szita, András Tállai, Tamás Tirts, András Tóth, Ferenc Tóth, Gábor Tóth, István Tóth, dr. Péter Tölgyessy, Attila Ughy, dr. László Varga, Mihály Varga, Attila Várhegyi, András Várkonyi, László Végh, dr. Árpád Vidoven, Ilona Vígh, dr. István József Vitányi, dr. Zoltán Weszelovszky, Róbert Zsigó.

Group of the Independent Smallholders' Party (FKGP)

György Atyánszky, Gyula Balogh, József Balogh, dr. Attila Bánk, Gellért Barkóczy, dr. Balázs Bernáth Varga, dr. Ilona Boda, dr. Imre Boros, József Csatári, dr. Szabolcs Czira, Kálmán Czoma, dr. János Dán, Lajos Danko, dr. Máté Fenyvesi, Géza Gyimóthy, Miklós Hanó, dr. Mihály Hegedűs, dr. János Homoki, Béla Horváth, dr. Sándor Kávássy, Zoltán Kékkői, dr. Margit Koppán-Kertész, dr. Csaba Kurucsai, János Lengyel, László Molnár, dr. György Orosházi, László Pallag, István Pancza, dr. Béla Pokol, Miklós Simon, dr. Béla Szabadi, dr. János Szabó, dr. Péter Szentgyörgyvölgyi, dr. György Tímár, dr. József Torgyán, Mária dr. Torgyán-Cseh, Imre Tóth, dr. Béla Turi-Kovács, dr. András Várhelyi, László Vincze, László Zakó, Győző Zsikla.

Political Group of the Hungarian Democratic Forum (MDF)

László Balogh, dr. István Balsai, András Csáky, dr. Miklós Csapody, dr. Ibolya Dávid, József Ékes, Sándor Font, dr. Görgy Gémesi, Károly Herényi, dr. Balázs Horváth, dr. András Kelemen, Sándor Lezsák, dr. László Medgyasszay, Zsolt Németh, László Szászfalvi, dr. István Varga.

Political group of the Hungarian Socialist Party (MSZP)

Dr. János Ábrahám, Attila Antalóczy, dr. Dezső Avarkeszi, dr. Ferenc Baja, Tibor Bajor, Tibor Bakonyi, dr. László Balogh, dr. Etele Baráth, András Bársony, dr. György Bazsa, Mihály Benedek, Ferenc Árpád Bodzás, László Boldvai, Sándor Burány, Lászlóné Csabai, dr. Balázs Csákabonyi, József Csige, dr. Judit Csiha, Sándor Csintalan, Gábor Csizmár, László Donáth, László Ecsődi, Zsolt Érsek, dr. Péter Faragó, Imre Farkas, Pál Filló, Sándor Fodor, Rezső Francz, Péter Fritz, dr. István Füle, dr. Zoltán Gál, dr. József Alajos Géczi, Lajos Godó, István Göndör, József Gráf, Ildikó Gyárfás, László Hajdú, dr. József Házas, Gyula Hegyi, Imre Herbály, Edit Herczog, György Hiesz, Gyula Horn, Imre Iváncsik, Róbertné Jakab, dr. Zoltán Jakus, dr. György Jánosi, István Jauernik, Ferenc Juhász, Gábor Juhász, dr. Katalin Juhász-Lévai, dr. András Kálmán, János Karakas, dr.

Imre Karl, dr. Béla Katona, György Keleti, László Keller, István Kertész, dr. Gábor Kiss, Péter Kiss, László Kocsi, dr. Miklós Koleszár, Lajos Korózs, Ferenc Kósa, dr. Magda Kósáné-Kovács, László Kovács, Tibor Kovács, dr. Mihály Kökény, Erzsébet Kristyán-Aknai, András Lakatos, dr. Mónika Lamperth, Ildikó Lendvai, Ferenc Lévai, Bertalan Mayer, Albert Molnár, Gyula Molnár, dr. János Molnár, dr. Sándor Nagy, Zoltán Nagyiványi, dr. János Nemcsók, dr. Imre Németh, István Nikolits, dr. Sándor Orosz, Béla Pál, László Paszternák, András Pásztóhy, Zoltán Páva, György Podolák, Balázs Pozsgai, dr. Gyula Pusztai, dr. József Sáling, dr. László Sándor, Antal Schalkhammer, dr. Tibor Schwarcz, dr. András Serfőző, András Sibak, József Simon, dr. József Solymosi, dr. Győző Soós, dr. Tamás Suchman, Tamás Szabados, György Szabó, Imre Szabó, Sándorné Szabó, Vilmos Szabó, dr. Zoltán Szabó, dr. István Szalay, dr. Miklós Szanyi, dr. Imre Szekeres, Péter Szilágyi, dr. Katalin Szili, Sándor Szili, dr. Mátyás Szűrös, dr. Csaba Tabajdi, dr. Imre Takács, József Tóbiás, István Tokár, dr. László Toller, Sándor Tompa, András Tóth, András Tóth, Károly Tóth, Sándor Tóth, Jenő Üszögi-Bleyer, dr. János Vágvölgyi, Zoltán Vancsik, Ildikó Varga-Kérékgyártó, dr. Pál Vastagh, dr. János Veres, dr. Iván Vitányi, dr. Mária Vojnik, dr. György Wiener, János Zatykó, János Zuschlag.

Political group of the Alliance of Free Democrats (SZDSZ)

Tamás Bauer, Gabriella Béki, dr. Alajos Dornbach, dr. Mátyás Eörsi, dr. Gábor Fodor, dr. Péter Hack, dr. Miklós Hankó Faragó, Gábor Horn, Gábor Iványi, dr. Zoltán Kis, Kálmán Kovács, Gábor Kuncze, dr. Károly Lotz, Péter Márai, dr. Bálint Magyar, Imre Mécs, dr. Iván Pető, Gábor Szalay, dr. István Szent-Iványi, Ildikó T. Asztalos, Márton Tardos, dr. Gábor Világosi, dr. Ferenc Wekler.

Political Group of the Hungarian Life and Justice Party (MIÉP)

Dr. Emil Bogdán, dr. László Bognár, István Csurka, Tibor Erkel, dr. Zoltán Fenyvessy, dr. Erzsébet Gidai, ifj. Loránt Hegedűs, Mihály Kapronczai, Andor Kiss, dr. Csaba Lentner, Ernő Rozgonyi.

Independents

Sándor Cseh, dr. László Csúcs, dr. Pál Gyuga, dr. László Helmeczy, Krisztina Hortobágyi, dr. Katalin Kiszely, dr. Mihály Kupa, Zsolt Lányi, Róbert Molnár, Mihály Pápai, dr. Attila Szabó, Lukács Szabó, Zoltán Székely.

Parties not in Parliament

Agrarian Union – National Agrarian Party

1054 Budapest, Széchenyi u. 9. Phone: 353-0192, 353-0301 (also fax). Chairman: Bertalan Mayer. Deputy Chairman for General Affairs: Dr. Csaba Bálint. Executive Vice Chairman: Ede Nedea. Chairman of the National Board: Árpád Bodzás. National Bureau Chief: Dr. Béla Németh.

Party for a Healthy Hungary

(Registered in Court: 5 November 1998). Chairman: László Szalontai (2119 Pécel, Fegyverkovács u. 3. Phone: 0630/9004-331, 28/454-764). Executive Vice Chairman: László Koczka (1077 Budapest, Izabella u. 34. Phone 30/9963-148).

United Smallholders' Party (EKgP)

1031 Budapest, Rozgonyi Piroska u. 29-31. Chairman: Zsolt Rajkai, Phone 266-5800, 0620/9515-593. General Secretary: Dr. Béla Utassy. Phone: 0660/9413-454.

Together for Hungary Union (EMU)

1137 Budapest, Szent István krt. 16./IV. Phone: 329-2972, 329-3610. Fax: 339-8306. Internet: <http://www.emu.hu> E-mail: emu@emu.hu Chairman: Dr. György Magyar, Phone: 0630/9503-095. Executive Vice Chairman, Spokesman: György Szöllőssy, Phone 0620/9110-192. Vice Chairman: István Hunorfi, Phone: 0630/9565579.

Independent Hungarian Democratic Party (FMDP)

1051 Budapest, Nádor u. 36. Phone: 331-7550/1319. Fax: 353-0042. Chairman: Gyula Kovár. Deputy Chairman: Pál Benkő. Members: János Györgyi, Csaba Iski, Róbert Király, László Rudits, Mrs. László Varró.

Party of the People of the East/Alliance

(Founded: 23 October, 1956.) (Registered in Court: 05 December, 1989.)

1076 Budapest, Péterffy S. u. 42. Honorary President: Dr. Ferenc Ujvári. Chairman: Frigyes Szent-Tamási. Deputy Charman: 'vitéz' László Horti (political), László Hires (movement). Vice Chairman: Mihály Bárdy (economic). General Secretary: János Duska. Chairman of the Board: Dr. József Keserü. Spokesman: 'vitéz' László Horti. Vice Chairman for Youth: Viktor Sárosi.

Christian Democratic People's Party (KDNP)

(Founding congress: 30 September, 1989). (Registered in Court: 6 December, 1989). 1126 Budapest, Nagy Jenő u. 5. Phone: 375-0333, 355-3658. Fax: 355-5772. Chairman: Dr. György Giczy. Deputy Chairmen: Dr. Gábor Báthori, Dr. György Fekete, Lajos Kalina. General Secretary, Press Secretary: Dr. Tivadar Bartók. Chairman of the National Board: Zsuzsanna Mizsei. Party Attorney General: Dr. Attila Sas.

Smallholders' Alliance

National Bureau: 1012 Budapest, Logodi u. 25. Chairman: Sándor Cseh. General Secretary: Dr. Béla Utassy, Phone: 0660/413-454.

Republican Party

1137 Budapest, Szent István krt. 16. Phone: 329-2972, 329-3610, Fax: 339-8306. Internet: <http://www.emu.hu>. E-mail: emu@emu.hu Chairman: Dr. György Magyar, Phone: 0630/9503-095.

Liberal Democratic Party

1072 Budapest, Akácfa u. 37-39. fsz.1. Chairman: Gyula Pető, Phone: 322-2364. Deputy Chairmen: András Bárkányi, Phone: 213-7484; Béla Kövér.

National Party of Hungarian Mothers

8500 Pápa, Kálvária u. 3. II.2. Phone/fax: 89/324-460, Fax: 89/315-125. Chairwoman: Ágnes Sokoray-Tell. General Secretary: Anna Tóth.

Hungarian Democratic People's Party (MDNP-Néppárt)

(Founded: 6 March, 1996). (Registered in Court:

8 March, 1996). 1011 Budapest, Iskola u. 16. Phone: 201-7982, 214-4375, 214-4392, 214-4394. Fax: 356-7191. Internet: <http://www.mdnf.hu> E-mail: mdnf@mail.datanet.hu Honorary President for Life: Dr. Iván Szabó. Chairman: Dr. Erzsébet Pusztai. Deputy Chairmen: Dr. Péter Ákos Bod, Dr. Tamás Hegedűs, György Hortobágyi, Dr. Imre Kónya, Dr. György Raskó, József Szabó, Dr. Tamás Szabó, László Tamás, Lajos Zsebők, Attila Zsigmond (Spokesman). Chairman of the National

Board: Péter Szabados.

Hungarian Interest Party

2740 Abony, Újszászi út 18. Phone: 53/360-283. 1132 Budapest, Váci út 16. Phone: 0620/9618-644, 329-3061. National Chairwoman: Izabella B. Király.

Hungarian National Assembly

Postal address: 8500 Pápa, Kálvária u. 3. II/2. Chairman: László Sokoray, Phone: 89/324-460 (also fax), Fax: 89/315-125, E-mail: sokoray@compunet.hu

Hungarian Freedom Party

1022 Budapest, Áldás u. 8. Phone/fax: 316-3987. Acting General Secretary and Deputy Chairman: Sándor Bozsó.

Hungarian Socialist Workers' Party (MSZMP)

1155 Budapest, Szentkorona útja 11. Phone: 418-3328, 306-0810. Secretary: László Fazekas. Deputy Secretaries: Elemér Csaba, Tamás Hirschler. Press Spokesman: István Tuza, Phone: 341-5897.

Hungarian Entrepreneurs' Unity Party (MAVÉP)

6000 Kecskemét, Batthyány u. 2. Fax: 62/432-740. Chairman: István Jakab (6726 Szeged, Réce u. 21.).

Hungarian Roma Party

7140 Bátaszék, Vadkert u. 11. Chairman: Endre Bihari (7140 Bátaszék, Vadkert u. 11. Phone: 74/492-003, 493-076; Fax: 74/493-774). Deputy Chairmen: Sándor Körmendi (7140 Bátaszék, Somogyi B. u. 39.), Gyula Rafael (7145 Sárpilis, Rákóczi u. 10.), László Budai (3842 Halmaj, Dankó P. u. 3. Phone: 46/474-400, 474-122). Spokesman: József Kardos (7140 Bátaszék, Garay u. 11.).

Hungarian Social Democratic Party (MSZDP)

Chairman: Dr. László Kapolyi, E-mail: kapolyi@pop.tvnet.hu

Hungarian Green Party (Greens)

National Office: 1036 Budapest, Kiskorona u. 3. Phone: 250-4939 (also fax), 27/350-481. Chairman: Zoltán Medveczki. Managing Vice Chairman: Elemér Szilágyi. Political Vice Chairman: László Kádár. Party Director: Ildikó Bánhelyi. National Secretary: Márton Bell. National Deputy Secretaries: Veronika Lányi, László Tíringer, Mrs. Ferenc Páris.

Workers' Party

1082 Budapest, Baross u. 61. Phone: 334-2721 (direct line), 313-5437 (direct line), 334-1509. Fax: 313-5423. Internet: <http://www.munkaspart.hu> Chairman: Dr. Gyula Thürmer. Deputy Chairmen: Éva Szöllősi-Fitos, János Vajda, Attila Vajnai. Press Spokesman: György Zinner, Phone: 0630/9325-703; E-mail: mp300@mail.psi.hu

Party for National Rebuilding

National Headquarters: 1054 Budapest, Aulich u. 3. IV.3. Postal Address: 2891 Tata P.O.Box 134. Phone: 0660/9332-755. National Chairman: Sándor Kósa, Phone: 331-1358 (also fax), 0630/9444-

835.

Nationality Forum

1062 Budapest, Lendvay u. 22. (Postal address: 7621 Pécs, Munkácsy Mihály út 8.). Chairman: Lőrinc Kerner, Phone: 72/332-515. General Secretary: János Hábel, Phone: 72/332-515.

Popular Will Party (NAP)

2330 Dunaharszti, Klapka u. 20. (Postal address. 2331 Dunaharaszti, P.O.Box 40). Phone: 24/461-356. Chairman: János István Maczó. Management: Lajos Géczi, Tibor Várady.

Pensioners' Party

1132 Budapest, Kresz G. u. 6. Phone: 320-5316 (also fax), Fax: 340-5071. Chairman: Dr. Vilmos Michaletzky. Deputy Chairman: László Bartha.

Hungarian National Party for the Spirit of 1956

(Founded: 15 March, 2000. Pilvax Kávéház) Manager: Dezső Ábrahám.

Order and Law Party

Postal address: 1399 Budapest 701, P.O.Box 717. Phone/fax: 341-6263. National Chairman: Dr. Attila Gulyás-Ferenc. Deputy Chairman: Dr. Mihály Mühlbacher. Members: Judit Forgó, Anita Nagy, Dr. András Kelemen, József Kis, Erzsébet Schaetz.

Laws of Nature Party

1131 Budapest, Faludi u. 4/A fszt. Phone: 320-1658 (also fax). Chairman: András Fodor. Deputy Chairman: Tamás Galló.

Party for a Historic Hungary

1222 Budapest, Mézesfehér u .5. Phone: 2270020. Chairman: Ernő Diószegi.

Historical Social Democratic Party (javított)

1082 Budapest, Baross u. 61. Phone: 313-7662, 333-7983. Internet: <http://www.szdp.hu> E-mail: szdp@elender.hu Honorary Chairman: Ernő Nagy. Acting Chairman: Tibor Sztankovánszki. Co-Chairman: Gyula Akhinszky. General Secretary: Sándor Bácskai. Deputy Chairmen: Károly Bogdány, Gyula Kárpáti, József Szendrei. Self-governing Chairman: Péter Albrecht. National Organizing Secretary: László Schiller. Chariman of the Board: Ernő Gergely.

New Alliance for Hungary

1028 Budapest, Hidegkúti út 56. Phone: 275-7339. Fax: 275-7338, 275-7899. Chairman: Ágnes Maczó G. Nagy. Deputy Chairmen: Gyula Kósa, Ildikó Nagy-Sárossi. Chairman of the Manager Corporation: László Petráss. Press Spokesman: György Szilvási.

Entrepreneurs' Party

6000 Kecskemét, Batthyány u. 2. Phone: 76/416-833 (also fax). Honorary Chairman: Ferenc Cs. Kiss. Chairman: József Ékes. Campaing Director: József Kósa, Phone: 0630/9259-990. Spokesman: Dr. János Fekete.

Party for a Rural Hungary

5243 Tiszaderzs. Fő út 40. Phone: (59) 355-190. Chairwoman: Kornélia Sáfár.

Green Democrats

1054 Budapest, Vadász u. 29. Phone: 353-0100 (also fax). Co-Chairmen: György Droppa, István Teszler. Vice Chairmen: Viktória Kavrán, János Kittl, Márta Márczis.

Trade Unions

Trade Union Headquarters

Association of Autonomous Trade Unions (ASZSZ)

1068 Budapest, Benczúr u. 45. House of the Chemical Industry. (Postal address: 1406 Budapest. P.O.Box 29) Phone: 342-1775, 342-1776, 342-1777, 342-1778. Fax: 3429975. President: János Borsik. Co-Presidents: Rezső Gál, Géza Inokai, Zsuzsa Várnai, Sándor Zsíros.

ÉSZT Trade Union Association of Intellectuals

1066 Budapest, Jókai u. 2. Phone: 331-4550/132, 331-4577 (also fax). President: Dr. László Vígh, Vice Presidents: Dr. László Kiss Papp, Dr. László Kuti, Dr. Imre Török. Secretary: Dr. Gábor Bánk.

League Trade Unions

1146 Budapest, Thököly út 156. Phone: 251-2300, Fax: 251-2288. President: István Gaskó. Acting Vice President: Lajos Horváth. Vice President for management: Zoltán Hangonyi. Vice President for civil Servant: Gábor Kerpen.

National Association of Hungarian Trade Unions (MSZOSZ)

1068 Budapest, Dózsa György út 84/b. (Postal address: 1415 Budapest, P.O.Box 31). Phone: 478-5102, 322-5017 (press office), Fax: 3414342, 322-9033. President: Dr. László Sándor, Vice Presidents: Ferenc Rabi, Tamás Wittich. Acting Spokesman: Attila Bálint. Charges: Gábor Borhidi, Károly György, Erzsébet Hanti, Zoltán Hódi, Tamás Keleti, Eva Miriszlai, Dr. Zsolt Pék, Károly Szőke.

National Association of Workers' Councils

1021 Budapest, Tárogató út 2-4. Phone: 2751445, 275-1460, 275-1480. Fax: 394-2802. President: Imre Palkovics. Vice President: Imre Nagy.

Associated Union of Independent Interest Representations (ÖNÉRT)

1088 Budapest, Rákóczi út 41. Phone/fax: 313-9208. Representative: Péter Tarró, Deputy Representative: László Fritz.

Democratic League of Free Trade Unions (SZSZDL)

1068 Budapest, Benczúr u. 43. Phone: 351-9007, 351-0371/144 (also fax). Representative President:

Gyula Hegedűs. Vice Presidents: Hajnalka Szabó, József Szalmi, György Szelényi.

Trade Unions' Forum for Co-operation (SZEF)

Current address: 1088 Budapest, Puskin u.4. Phone: 338-2651, Fax: 318-7360, President: Dr. Endre Szabó. Vice President: Gábor Borbáth, Péter Michalkó, Ervin Smrcz. Charges: Dr. Judit Bárdos, Dr. Ágnes Cser, József Fehér, Károly Kozma, Mrs. János Mester, Ervin Mihalovits, Dr. Károly Redl, László Varga. Press Manager: Gábor Szatmári. Chief of Bureau: Zsuzsa Pető.

Solidarity Trade Union Workers' Association

1031 Budapest, Rozgonyi Piroska u. 29-31. President: Elek Szabó, Phone: 0630/998-6648.

The Tasks of the Ministry of Justice in Connection with Legal Harmonization

The Minister of Justice, under preparations for accession to the European Union, performs so-called horizontal tasks on the one hand, and is responsible – within its own sphere of competence and area of responsibilities – for the drafting and enactment of legal regulations within certain areas of law on the other hand. In compliance particularly with Sections 2-4 and Section 8 of Government Decree No. 157/1998 (IX.30.) on 'The Areas of Responsibilities and Sphere of Competence of the Minister of Justice', the minister of justice performs the following tasks in connection with the preparations for European integration:

I. The minister of justice (MoJ) coordinates the preparation of the Hungarian legal system for accession to the European Union. More specifically – with the involvement of the ministers concerned – the minister compiles the legal harmonization program preparing accession to the European Union, monitors and facilitates the execution of this program.

The comprehensive legal harmonization program was adopted by the government as the basis for the legal harmonization activities preparing the accession to the European Union. The first comprehensive review of Government Decree No. 2212/1999. (IX.30.) promulgating the legal harmonization program for the period up to the originally targeted date of accession, i.e., by 31 December 2001, took place in 1999, through the adoption of Government Decree No. 2280/1999. (XI.5.), considering the fact that the relevant Government Decree had to be reconciled with the commitments Hungary made during the enlargement negotiations and with the national program of adopting the EU's acquis. At the same time, another comprehensive review of this program took place by adopting Government Decree No. 2140/2000. (VI.23.), considering that, as a result of the Helsinki summit of the Council of Europe, Hungary's accession is theoretically possible only after 1 January 2003. Hungary will consider this one-year difference in the preparation period as a "reserve/surplus period", and continues to plan preparations by 1 January 2002, so the alteration of the deadlines of certain tasks planned to be performed by 2001 at the latest can only take place if these tasks relate to major economic or other interests, or if they are specifically tied or closely related to membership, respectively.

The legal harmonization program must include all domestic legislative tasks whose execution is necessary for the benefit of adjustment to the European acquis communautaire, for the creation of the legal conditions of accession (before the accession, or simultaneously with the accession).

The function of the legal harmonization program continues to be the facilitation of the governance and development of legislative plans by identifying the tasks pertinent to the approximation of the European acquis communautaire. This program therefore needs to be entirely taken into account while developing the working and codification plans for the government.

II. The minister of justice (MoJ) monitors and promotes the execution of the legal harmonization program. In accordance with Government Decree No. 2212/1998. (IX.30.), the minister of justice – along with the minister of foreign affairs – submits a report to the government on the timely and scheduled execution of the legal harmonization program at least once a year. (The MoJ furthermore provides regular advice on these matters to the European Integration Affairs Committee of the Hungarian Parliament as well.)

The last report, which includes a summary of the execution and an evaluation of the tasks set for the year 1999 took place in February 2000. The report stated that, along with legal harmonization tasks accomplished and achievements made (which were appreciated in the annual country report prepared by the Council of Europe), there were some shortcomings in certain areas (freedom of movement of goods, agriculture, transport policy, welfare policy, and environmental protection) The ministers and the heads of agencies with national scopes of authority are responsible within their own respective spheres of competence and responsibilities for the execution of tasks stemming from European integration, for the coordination and management of their professional relationships related to integration. Accordingly, we must ensure the required organizational, structural, and personnel conditions, we need to facilitate the process of integration by establishing and operating organizational units dealing with the European integration, and based on the peculiarities of the respective ministries. [This is included in Subsection 2 of Government Resolution No. 1093/1994. (X.7.), amended several times, on ‘The System of Responsibilities and Coordination of Governmental Tasks related to European Integration’, and it also follows from the statute decrees issued by the ministers.]

In view of the arrears in the execution of tasks, the MoJ and the minister of foreign affairs believed urgent measures were necessary in order to eliminate them as soon as possible, furthermore in order to possibly prevent arrears from occurring in the legal harmonization activities in the future. Accordingly, the Government issued Resolution No. 2040/2000 (III.8.) entitled “After the Helsinki Summit of the Council of Europe”, on the current standing of the accession process and major tasks related to its promotion, furthermore it issued Government Resolution No. 3008/2000. (II.2.) under the same title. These Decisions target the following in particular:

– The ministries must prepare a detailed plan on the execution of tasks scheduled for 2000 and 2001, which they have to forward to the minister of foreign affairs and the minister of justice. (On the basis of the detailed “internal” working plans, it is possible to verify whether the given draft or bill was indeed submitted for administrative coordination during the scheduled month. If not, the minister of justice and the minister of foreign affairs can take “timely” measures to promote the execution of the given task.)

– The minister of foreign affairs and the minister of justice, on the basis of the above - mentioned plans of the other ministries, also prepare quarterly evaluations on the interim execution of the commitments, and if necessary, they advise the Government about their findings. (Thus, the evaluation of the execution of the legal harmonization commitments in the future will not only take place annually but more frequently, which again facilitates the timely execution of the schedule. Preparations for the first such quarterly evaluation are underway.)

– During its sessions, the Government regularly deals with the current issues of accession to the European Union and with the accession-related tasks of the respective ministries.

– The Government has agreed that during the development of its semi-annual work plan and of its draft codification program it is necessary to give special emphasis to the implementation of the commitments made during the accession negotiations and to the execution of tasks stemming from the preparation for the accession. (Therefore responsibility for this will in the future not only lie with the minister heading the Prime Minister’s Office and with the minister of justice but also with the minister of foreign affairs.)

– Furthermore - in its referenced Resolution No. 3000 - the Government called upon the ministers concerned to perform their legislative tasks at ministerial order level for the years 1998 and 1999 in which they are behind, and to submit the draft bills to the Government before the set deadline.

In summary of the above, the measures are aimed at the following: a detailed schedule for better accountability; the regular discussion of the issues at the Government sessions; priorities given to legal harmonization in the Government's working plan and program proposal; a call for eliminating arrears.

The task of the minister of justice is therefore essential on the one hand, (codification, legislative, estimating, etc.; in this regard it is similar to the tasks of other cabinet portfolios), on the other hand it is coordinating and organizing in nature (like the efforts of the Ministry of Foreign Affairs). Hand in hand with the Integration State Secretary's Office of the Ministry of Foreign Affairs, the Ministry of Justice increasingly performs the latter task.

At the same time, the Ministry of Justice continues to place great emphasis on ensuring that the draft bills are reviewed in terms of compliance with the requirements of the European Community.

III. The minister of justice, within the framework of preparing the Hungarian legal system for accession, ensures the theoretical and methodological unity of the legal harmonization activities.

In view of this task, the Ministry prepared the Ministry of Justice Information Bulletin No. 8002/1999. (IX.10.) on the administration of matters related to legal harmonization, which was promulgated in the Justice Gazette and in the Hungarian Official Gazette in 1999. This Information Bulletin – in a generic approach – summarizes the key pieces of information required for the legal harmonization activities. Its function is primarily to provide guidance for the ministries, national agencies, and other government institutions on the execution of legal harmonization tasks. It deals with the international and domestic legal frameworks of these activities, with their constitutional and legislative requirements, their programming and methodology, and furthermore their procedural and formal rules. Upon request, the Department of European Acquis Communautaire of the Ministry of Justice furthermore provides assistance to the other ministries in resolving individual issues related to legal harmonization.

IV. The minister of justice provides expert opinions on the draft legal rules from the viewpoint of compatibility with those of the European Communities. The minister makes a statement of its opinion at the cabinet meeting and – if it becomes necessary in the case of a draft legal rule – at the session of the parliamentary committee concerned with regard to the subject matter of the draft legal rule. For the purpose of the execution of this task the minister makes a statement in connection with a draft legal rule or with a proposal aimed at the conclusion of an international agreement on whether the draft is compatible with the law of the European Communities. This Ministry of Justice basically performs this also through the Legal Department of European Acquis Communautaire.

V. The Ministry of Justice, in the legal areas within its own responsibilities, also prepares draft legal rules pertaining to legal harmonization.

These major areas of law are as follows: public acquisition, corporate law, intellectual property, competition law, consumer protection, civil law, data protection, regulations pertaining to jurisdiction, and justice cooperation.

With regard to the individual chapters of the accession negotiations, the Ministry of Justice is the number one agency responsible for the following chapters: corporate law (company law, intellectual property), competition policy (corporate competition law, exclusive and special rights and privileges), justice cooperation (if necessary through the contribution of the National Jurisdiction Council); and in the following chapters as a conjunct responsible agency: audio-visual policy (media law), consumer protection (civil law matters), institutions.

Within the sets of conditions of accession, improvement of the situation of the Gypsy population, the Romany issue (Office of National and Ethnic Minorities is supervised by the Ministry of Justice), furthermore the roll-back of corruption (anti-corruption program, penal policy and legislation), also improvement of the conditions of the state penitentiary system (supervision of the National Penitentiary Service) were formulated among the political criteria.

The Ministry of Justice has accomplished its codification tasks undertaken for 1999. and 2000.

Legal harmonization within the area of responsibilities of the Ministry of Justice has progressed, the accomplishment of the outstanding legal harmonization tasks is basically planned for 2001.

The situation of the Romany and the prevention of corruption, also the implementation of effective jurisdiction (processing of arrears in pending cases, conclusion of procedures within a reasonable time-limit, etc.) continue to be emphatic and recurrent issues in connection with accession.

VI. At the enlargement negotiations – due to our so-called horizontal responsibility as well – the designated representative of the Ministry of Justice (head of the European Acquis Department) is a member of the Hungarian delegation. During the negotiations and also during the preparations for them, the representative of the Ministry of Justice vindicates the legal and legal harmonization aspects. Within the framework of the enlargement negotiations, the supplementary information required by the European Union needs to be worked out in agreement with the Minister of Justice. The status of the negotiations of the issues falling within the responsibility and co-responsibility of the Ministry of Justice can be summed up as follows:

- the chapter on consumer protection has temporarily been closed;
- the chapter on corporate law and on competition policy has not been closed even temporarily, we have submitted supplementary information,
- the chapter on culture and audio-visual policy has not been closed even temporarily, its supplementary screening took place in February 2000, when we reviewed the draft bill on the amendment of the Act of Parliament on the Media with the intent of legal harmonization;
- we have opened the chapter on justice and home affairs cooperation, the required supplementary information has been prepared on the basis of the Joint Standpoint of the European Union;
- the opening of the chapter on the institutions becomes timely at a later date.

We have announced our temporary (substantive) need for regulation (derogation) in the area of corporate law (intellectual property). In this area (supplementary patent protection of medicinal products, data protection of registries) substantive negotiations have, as a matter of fact, begun.

VII. With regard also to the so-called horizontal responsibility of the Ministry of Justice the Department of Acquis Communautaire is preparing a proposal concerning the issues of accession to the European Union pertaining to the Hungarian legal system. The proposal was discussed by the Government at its cabinet meeting on 19 December 2000. In January 2001, the contents of the proposal have been submitted to a wider range of professional, academic and political forums for discussion.

The proposal analyses the following issues:

- basic principles determining the relationship between EU-law and member-state laws;
- general aspects of the relationship between the *acquis communautaire* and the national constitutions; constitutional amendment, the Treaty on Accession and the Act of Parliament promulgating the Treaty;
- general legal principles of the *acquis communautaire*, their effects on the legal system of the member-states;
- the role of the Constitutional Court, jurisdiction within fundamental rights;
- the effect of accession on the administration of justice; the assimilation and adjustment of the domestic political institutions to the decision making mechanisms in place within the European Union;
- the effect of the accession on the local governments
- other issues related to the accession;

VIII. Furthermore, the coordination of the translation of the laws of the European Communities into the Hungarian language also belongs to the tasks of the minister of justice. This task is performed by the translation-coordination unit under the professional supervision of the Department of the European Acquis Communautaire.

By having the European *acquis* translated into Hungarian, we are basically preparing for accession to the European Union. The aim and task is to have the *acquis communautaire* translated in the best possible quality before the accession actually happens in order to be able to publish them in a special Hungarian issue of the Official Gazette of the European Communities in an authentic Hungarian translation. The translations that have gone through all the required proofreading and

authentication processes can be found on homepage of the Ministry of Justice.

IX. The translation and legal harmonization efforts of the Ministry of Justice are assisted by Phare programs as well. The financial resources stemming from the Phare programs have assisted in the systematic translation into Hungarian of the *acquis communautaire* on the one hand, and in the legal harmonization efforts, especially by providing funds for preparing studies and legal analyses. All in all, these programs and their implementation can be evaluated as successful, although there have been difficulties along the way. The translation part of Phare program for 1996 was concluded in April 2000, while the legal analysis part was extended until September 2000. In connection with the new Phare program of 1998 (to be implemented in 2000 and 2001) it is worth highlighting that the establishment and enlargement of a so-called documentation center within the Ministry of Justice was granted support. The existing "documentation room" has been enlarged under the supervision of the Department of European *Acquis Communautaire*, and at the same time it became possible to establish an appropriate IT background for it. The availability of the documentation room for external visitors can be ensured in the year 2001.

Dr. Anita Németh

Crimes

Criminal acts, perpetrators	1990	1992	1993	1994	1995
<i>Criminal acts adjudicated within public prosecution</i>					
Number of criminal acts reported	341,061	447,215	400,935	389,451	502,036
Success rate of the investigation of the above criminal acts (in percentage)	48.9	53.2	59.1	57.4	62.7
Number of known offenders	112,254	132,644	122,621	119,494	121,121
Of the above:					
adults	99,990	117,168	107,620	105,015	106,800
underage	12,264	15,476	15,001	14,479	14,321
Number of persons indicted	50,002	81,314	80,997	85,909	85,867*
Number of persons convicted validly	46,555	76,212	73,368	77,318	84,788
Of the above:					
number of persons sentenced to imprisonment	17,875	25,277	23,160	23,160	25,045
<i>Criminal acts adjudicated on the basis of private prosecution</i>					
Number of persons convicted validly	1,139	1,269	1,113	1,006	958

*Data provided by the Prosecutor's Office

Source: Central Bureau of Statistics

Criminal acts adjudicated within public prosecution

Criminal acts, perpetrators	1989	1990	1991	1992	1993	1994	1995
Number of crimes reported	225,393	341,061	440,370	447,222	400,935	389,451	502,036
Known perpetrators	88,932	112,254	122,835	132,644	122,621	119,494	121,121
Of the above:							
Perpetrators of violent criminal acts against another person	7,668	9,126	8,714	9,574	9,867	10,062	9,613

Perpetrators of criminal violation of the Traffic Code	18,871	23,639	26,902	30,127	26,578	24,180	21,967
Perpetrators of white collar crimes	7,235	9,014	7,505	7,524	4,146	2,571	3,106
Perpetrators of crimes against property	38,008	53,359	60,928	63,867	60,212	58,432	62,662

Source: Central Bureau of Statistics

Major types of reported criminal acts adjudicated on the basis of public prosecution

Type	1990	1994	1995	
Total	341,061	389,451	502,036	46
Of the above:				
Premeditated murder and attempt thereof	320	439	406	
Premeditated aggravated assault	8,107	10,761	10,640	1
Criminal violation of the Traffic Code	25,976	26,556	24,633	2
Of the above:				
drunken driving	17,665	19,682	17,181	1
Failure to pay alimony	6,275	2,345	2,033	
Vandalism	3,818	6,095	5,937	
Violation of the Currency Regulations	8,065	1,076	817	
Theft, Larceny	231,445	214,497	233,215	27
Of the above:				
Car-theft	...	10,045	12,132	1
Embezzlement	3,027	4,587	6,148	
Fraud	7,762	26,296	112,592	5
Robbery	2,864	2,570	5,657	
Taking possession of vehicle arbitrarily	8,049	5,252	5,365	
<i>Distribution, %</i>				
Total	100.0	100.0	100.0	
Of The above:				
Premeditated murder and attempt thereof	0.1	0.1	0.1	
Premeditated aggravated assault	2.4	2.8	2.1	
Criminal violation of the Traffic Code	7.6	6.8	4.9	
Of the above:				
drunken driving	5.2	5.1	3.4	
Failure to pay alimony	1.8	0.6	0.4	
Vandalism	1.1	1.6	1.2	
Violation of the Currency Regulations	2.4	0.3	0.2	
Theft, Larceny	67.9	55.1	46.5	

Of the above:				
Car-theft	...	2.6	2.4	
Embezzlement	0.9	1.2	1.2	
Fraud	2.3	6.8	22.4	
Robbery	0.8	0.7	0.5	
Taking possession of vehicle arbitrarily	2.4	1.3	1.1	

Source: Central Bureau of Statistics

Breakdown of perpetrators convicted validly by a court of criminal justice, 1995

	Adults	Underage	Total
Premeditated murder and attempt thereof	271	22	293
Premeditated aggravated assault	5,260	422	5,682
Criminal violation of the Traffic Code	20,319	585	20,904
Of the above:			
drunken driving	15,479	257	15,754
Failure to pay alimony	805	-	805
Vandalism	4,724	761	5,485
Violation of the Currency Regulations	210	..	..
Theft, Larceny	24,203	5,369	29,572
Embezzlement	1,961	42	2,003
Fraud	2,476	49	2,864
Robbery -	1,100	388	1,488
Taking possession of vehicle arbitrarily	698	188	886
Total*	77,029	8,717	85,746

*Private and public prosecution taken together; Source: Central Bureau of Statistics

Perpetrators convicted validly (broken down according to the type of sentence)

	1994			1995		
Total	Adults	Underage	Total	Adults	Underage	
Imprisonment	23,683	21,404	2,279	25,060	22,969	2,091
Of the above:						
suspended imprisonment	13,545	12,052	1,493	15,171	13,682	1,489
Correctional labor	453	418	35	883	869	14
Fine	35,538	35,172	366	38,882	38,442	440
Secondary sentence and court measure applied independently	18,649	13,792	4,857	20,921	14,749	6,172
Suspension of sentence	1	1	-	-	-	-
Total*	78,324	70,787	7,537	85,746	77,029	8,717

* Private and public prosecution taken together; Source: Central Bureau of Statistics

Perpetrators convicted validly broken down according to the nature of sentence, 1996

Nature of sentence	Total	Adults	Underage
Imprisonment	25,195	23,239	1,956
Of the above: suspended imprisonment	15,218	13,741	1,477
Public interest labor	1,283	1,272	11
Fine	36,574	36,168	406
Secondary sentence and court measure applied independently	20,241	14,846	5,395
Total	83,293	75,525	7,768

Source: Central Bureau of Statistics

Reported criminal acts falling under public prosecution

Period, area	Total	Violent crime	Traffic violations	White collar crime	Crime against property
1991	440,370	13,974	29,942	8,347	356,671
1992	447,215	14,823	33,130	8,913	350,582
1993	400,935	14,782	29,362	6,146	307,396
1994	389,451	16,150	26,556	4,085	287,095
1995	502,036	16,096	24,633	5,064	391,062
1996	466,050	14,720	20,680	5,409	365,235
Budapest	146,160	2,329	2,945	1,221	123,760
Bács-Kiskun County	18,816	621	1,471	227	13,762
Baranya County	16,993	655	846	165	12,624
Békés County	15,126	545	836	119	11,627
Borsod-Abaúj-Zemplén Co.	26,074	1,027	1,550	412	18,449
Csongrád County	20,843	579	752	232	17,079
Fejér County	16,435	591	902	76	11,997
Győr-Moson-Sopron County	16,232	492	846	608	11,234
Hajdú-Bihar County	29,313	1,219	1,044	145	23,020
Heves County	10,375	672	770	106	7,382
Jász-Nagykun Szolnok Co.	13,819	580	737	189	10,771
Komárom-Esztergom County	13,638	547	774	130	10,358
Nógrád County	6,468	351	343	83	4,576
Pest County	40,051	1,355	2,429	325	31,332
Somogy County	14,820	627	693	126	12,144
Szabolcs-Szatmár-Bereg Co.	19,514	1,039	1,072	487	13,343

Tolna County	8,496	271	551	127	6,689
Vas County	7,737	260	512	287	5,450
Veszprém County	14,525	552	999	123	10,707
Zala County	10,234	402	596	182	7,674
In a foreign country	1,381	6	21	. 39	1,257

Source: Central Bureau of Statistics

Criminal acts under public prosecution broken down into administrative areas, 1995

Capital city, County	Crimes reported	Perpetrators convicted validly			Perpetrators convicted valid per 10000 of the population, of the same age		
		Total	Underage	Adult	Total	Underage	Adult
Budapest	123,636	1,284	10,968	12,252	117	71	
Bács-Kiskun County	19,182	335	4,084	4,419	106	98	
Baranya County	36,739	334	3,576	3,910	135	112	
Békés County	14,172	246	2,887	3,133	108	92	
Borsod-Aba0j-Zemplén Co.	24,571	1,394	7,904	9,298	300	141	
Csongrád County	60,672	318	2,772	3,040	125	82	
Fejér County	19,120	388	3,034	3,422	145	94	
Győr-Moson-Sopron County	20,402	237	2,335	2,572	87	71	
Hajdú-Bihar County	21,135	545	4,388	4,933	156	106	
Heves County	10,076	290	2,699	2,989	148	105	
Jász-Nagykun-Szolnok Co.	14,913	397	2,861	3,258	154	89	
Komárom-Esztergom Co.	14,649	248	2,582	2,830	131	108	
Nógrád County	7,260	239	1,690	1,929	194	97	
Pest County	39,891	450	7,025	7,475	76	94	
Somogy County	15,466	402	3,091	3,493	203	118	
Szabolcs-Szatmár-Bereg Co.	20,803	627	5,046	5,673	170	120	
Tolna County	6,857	126	2,007	2,133	86	105	
Vas County	6,762	186	1,699	1,885	114	80	
Veszprém County	14,377	394	3,152	3,546	165	109	
Zala County	10,790	277	2,231	2,598	152	99	
Total	502,036 ^{a)}	8,717	76,071	84,788	142	96	

^{a)}Together with those criminal acts reported in a foreign country, or whose location could not be ascertained

Source: Central Bureau of Statistics

Number of persons serving their sentences in penitentiaries

Nature of detention	1992	1993	1994	1995	
Pre-trial arrest	4,272	3,557	3,433	3,183	
Imprisonment	11,424	9,390	8,944	8,928	
Coercion to take undergo compulsory medical treatment	143	130	121	128	
Confinement in lunatic asylum	74	119	196	215	
Short term custody in a police facility	-	-	3	1	
Total	15913	13,196	12,697	12,455	

Percentage of convicts with previous criminal record and of underage perpetrators among those convicted validly

Year	Percentage of recidivists (public prosecution)		Percentage of underage persons of all convicts	
Adult	Underage	Total		
1963	37.7	12.7	35.8	6.0
1970	37.5	15.4	35.1	9.7
1975	30.6	18.2	29.5	8.3
1980	27.3	20.2	26.7	7.7
1985	36.0	21.3	34.5	10.0
1986	35.5	21.5	34.0	9.9
1987	35.3	20.8	33.9	9.7
1,988	36.5	20.9	35.1	9.1
1989	37.9	19.8	36.1	9.8
1990	40.7	20.4	38.4	10.8
1991	36.4	17.6	33.9	9.4
1992	34.6	18.7	32.6	9.1
1993	35.4	20.1	34.0	9.0
1994	35.3	42.2	35.5	9.7
1995	42.0	17.1	39.4	10.5

Source: Central Bureau of Statistics

Number of certain criminal acts (on the basis of the number of perpetrators convicted validly)

Year	Premeditated murder and attempt thereof	Rape	Robbery
1963	386	370	165
1970	430	680	376
1980	278	398	821

1985.	301	490	1,110
1986	331	460	1,138
1987	355	386	1,094
1988	326	325	1,026
1989	280	291	844
1990	240	257	1,086
1991	223	212	1,262
1992	314	236	1,334
1993	285	184	1,371
1994	354	264	1,575
1995	293	238	1,488

Source: Central Bureau of Statistics

Percentage of those of all the perpetrators convicted validly whose act was related to consumption of alcohol*

Year	Percentage of all convicts	Of adults	Of underage		Percentage of all convicts	Of adults	
1963	21.3	22.2	7.6	Of which: (in publicly prosecuted cases)			
1970	35.4	37.4	17.2	Murder and			
1975	37.7	39.3	19.2	attempted murder	62.3	64.5	
1980	37.0	38.2	21.7	Aggravated assault			
1985	39.6	41.7	20.9	(premeditated)	36.9	38.4	
1986	37.7	39.8	18.9	Traffic crimes	77.3	78.1	
1987	37.1	39.2	17.8	Rape	17.3	37.6	
1988	36.5	38.3	18.6	Assault on an			
1989	37.0	39.2	16.4	officer of the law	49.4	50.5	
1990	39.0	41.5	18.3	Vandalism	30.3	46.6	
1991	38.9	41.6	12.8	Robbery	31.5	37.1	
1992	38.6	41.1	13.4	Arbitrary taking			
1993	38.5	40.9	14.4	of a vehicle	33.2	38.5	
1994	35.4	37.8	13.0				
1995	30.2	32.3	11.9				

*To include crimes committed under the influence of, and for the purpose of acquiring, alcohol.

Road accidents, involving injuries, caused by influence of alcohol, expressed in percentage of all road accidents

Year	Accident caused by DUI	Accidents caused by pedestrians, passengers, etc.	Total
1981	18.1	18.4	18.0
1982	19.2	19.5	18.8
1983	19.8	19.2	19.6
1984	18.7	18.6	18.6
1985	17.5	17.3	17.3
1986	15.8	16.0	15.6
1987	14.2	15.5	14.3
1988	13.9	16.0	14.1
1989	15.2	16.6	15.3
1990	15.7	14.9	15.3
1991	17.0	13.5	16.3
1992	16.5	15.0	16.0
1993	13.2	15.0	13.2
1994	13.3	11.5	12.9
1995	12.6	11.8	12.3
1996	12.5	11.0	12.1

Year	Accident caused by DUI	Accidents caused by pedestrians, passengers, etc.	Total
1965	17.3	15.6	16.7
1966.	15.4	16.2	15.4
1967	16.0	16.8	16.0
1968	16.6	16.5	16.3
1969	16.2	19.1	16.6
1970	17.2	18.6	17.2
1971	16.2	21.1	16.9
1972	16.1	22.3	17.1
1973	16.5	21.7	17.2
1974	16.2	23.5	17.2
1975	18.1	23.7	18.9
1976	16.7	20.7	17.3
1977	16.6	17.6	16.6
1978	16.2	19.1	16.6

1979	17.3	17.0	17.1
1980	17.6	18.8	17.7

Source: Central Bureau of Statistics

The outcome of the road accidents caused under the influence of alcoholic drinks (30 days after the accident)

Year	Number of accidents with			Percentage of accidents with		
	serious	minor	fatal injuries	serious	minor	
1976	258	1,368	1,592	17.2	18.3	16.6
1977	336	1,502	1,508	20.1	18.1	14.9
1978	355	1,488	1,462	19.2	18.3	14.7
1979	319	1,453	1,726	19.9	18.1	15.9
1980	280	1,452	1,622	18.8	19.3	16.2
1981	324	1,433	1,542	22.0	19.0	16.6
1982	317	1,490	1,626	22.0	20.2	17.3
1983	357	1,607	1,752	24.0	20.6	18.1
1984	323	1,578	1,682	22.2	20.1	16.9
1985	344	1,459	1,586	21.6	17.9	16.1
1986	289	1,346	1,390	19.3	16.6	14.3
1987	276	1,249	1,312	19.1	15.4	12.8
1988	297	1,355	1,350	19.0	15.4	12.3
1989	346	1,608	1,770	17.8	15.9	14.4
1990	400	1,868	1,990	18.3	15.9	14.3
1991	373	1,696	1,939	19.9	16.8	15.4
1992	309	1,641	1,995	16.7	16.6	15.5
1993	179	1,078	1,324	12.2	13.9	10.3
1994	155	1,107	1,402	11.2	13.7	12.4
1995	171	1,031	1,236	12.1	13.3	11.6
1996	118	903	1,210	9.4	12.8	12.0

Source: Central Bureau of Statistics

The Hungarian Customs and Finance Guard's Preparations for Hungary's Integration with Europe

Our region's accession to the European Union will primarily result in the evolution of a larger customer market or economic area of 500 million people. On the abolishment of Hungary's border with the European Union trading with products will, due to the customs union, become liberalized, and the approximately identical legislative background and the use of the common currency will predictably result in a significant economic growth in this region. But only a well-prepared Hungary

with an institutional system of European level in all respects can benefit from these advantages. At its Council's meeting in Copenhagen in 1993, the European Union adopted a resolution on the possibility of an eastward expansion of the Union. Recent years have brought along major economic and social changes, which have accelerated of late and have had an increasingly powerful impact on the integration-related activities of the Hungarian Customs and Finance Guard.

The Hungarian government continues the negotiations directed at the country's accession with the European Union, based on the principle of an integration policy that represents national interests. Building on this principle, the Customs and Finance Guard has developed its own integration strategy, which strives to represent Hungarian interests as firmly as possible by taking into account the national economy's load-bearing capacity and assessing actual needs.

The Customs and Finance Guard continually keeps an eye on trends, and makes proposals for legal approximation to make sure the country's accession is realized in the most effective way for both public administration and the economy, maximizing advantages and minimizing drawbacks.

A summary of the Hungarian customs authorities' role in the integration process is below:

- To harmonize the necessity to achieve EU conformity by taking of measures serving the growth of Hungarian agriculture in the years to come until Hungary's accession;
- To provide revenues for the national budget, and to make preparations so that, following accession, the highest possible customs revenues remain in the Hungarian budget;
- To advocate the Hungarian corporate and entrepreneurial sectors as well at the accession negotiations;
- To strengthen the customer-protecting function of customs and excise activities, in compliance with the Union's standards;
- To take action against offenders committing crime or minor offences, thus assisting legal commerce to gain ground in Hungary.

In order to take measures of legal approximation related to customs administration, to develop an institutional background and to plan human resources, the Customs and Finance Guard established on 1 January 1998 an organizational unit responsible for the coordination of the Customs and Finance Guard's integration with the European Union, the Integration Office. Based on Hungary's national program, this Office worked out the organization's strategic plan for the integration in March 1998, which, in addition to traditional legal areas of customs and excise activities, also embraces duties related to cooperation in internal and judicial affairs, statistics, financial control and common agricultural policy. Based on the European Union's expectations from the Customs and Finance Guard, the strategic plan identifies the strategic factors that must be taken into account, so that the organization is fully capable of implementing the procedural and organizational changes required for the country's accession with the European Union, prospectively by 1 January 2003. After elaborating the strategic plan, the Customs and Finance Guard also developed its plan about integration work that defines specific tasks concerning preparations for integration. If any new tasks arise or the expectations related to Hungary's accession are modified, the Integration Office will promptly make the necessary adjustments in the plan on integration work.

Organizational Restructuring in Compliance with EU Standards

Regional Directorates

The Customs and Finance Guard was the first in Hungary to restructure its organization to comply with EU standards. In the framework of that effort, county directorates that used to operate competent for their respective counties as second-instance organizations have partially been consolidated, and the seven areas of competency thus created are now coordinated by the Customs and Finance Guard's regional directorates. Accordingly, the following seven regions have been established:

- 1. Northern Hungary**
- 2. Northern Plains**

3. Southern Plains
4. Southern Transdanubia
5. Western Transdanubia
6. Mid Transdanubia
7. Central Hungary

National Law Enforcement Center

One of the government's major objectives is to review the legislation about the investigative authorities' scopes of action and competencies to ensure that crimes connected to organized crime could be addressed out of turn the course of investigation. To this end, the government established the Customs and Finance Guard's National Law Enforcement Center as of 1 January 2000, by Government Decree 219/1999 (XII.28).

Under Section 243/A, subsection (1) of Government Decree No. 45/1996 on the Execution of the Customs Act, the National Law Enforcement Center, acting with nationwide competence, is responsible for preventing, detecting, and investigating, pursuant to relevant legal provisions, the financial crimes that the Act on Penal Procedure assign to the its competence. In the event of other crimes detected while performing the investigation tasks defined by law or arising from international cooperation obligations, the organization is also responsible for carrying out the urgent investigative actions, securing scenes and evidence and, in relation thereto, notifying the competent investigative authority.

It has the authority to command, supervise, and control investigative offices, and carries out the professional, organizational, human resource, disciplinary, educational, managerial, and other duties assigned to its competence by separate legal provisions.

It also has the authority to command, supervise, and control customs offices at the border.

On establishing the National Law Enforcement Center, the Customs and Finance Guard used minimum organizational, technical, and material resources to create a centralized organization capable of conducting investigative cases that fully complies with EU requirements.

National Control Center

In conformity with EU requirements, the government established the National Control Center on 1 January 2000 by Government Decree No. 219/1999 (XII.28.) It is also a nationally competent organization, whose scope of first-instance authority as defined in the Customs Act and the Decree on the implementation thereof, will include organizations' and individuals' post clearance audit.

With respect to goods/customs goods, post clearance audit means the imposition, collection, correction and refund of charges, customs administrative penalties, interests, overdue surcharges, and other costs, and making decisions about customs supervision.

In terms of efficiency, the organization has proved very successful this year. In 1999, revenues amounting to HUF 2,756,582,737 out of an estimated amount of HUF 4,671,230,882 were realized from 452 cases. Up to 30 September of this year, the organization produced HUF 2,474,673,276 in revenues from 316 cases, out of an annual estimate of HUF 3,586,659,950.

National Patrol Service

The government established the Central Patrol Service of the Customs and Finance Guard by Government Decree No. 156/1996 (X.22). It is nationally competent, and is responsible, as defined in the Customs Act and the Decree on the implementation thereof, for the following:

- The customs control of goods and passenger traffic across the border,
- The imposition and collection of charges and other duties,
- Performing foreign policing tasks,
- The examination, either directly or indirectly, of the identity (the classification in terms of

taxation, the quality, and other criteria provided by law) of products, produce, and goods of a predefined circle, and verify that such examinations have been performed,

- The monitoring of the traffic of internationally controlled products and technologies,
- Carrying out control tasks and post clearance audits, as well as the control tasks required for the adjudication of various customs preferences subjected to conditions, except the control activities required for the adjudication of a subsequent customs preferences or of a customs preference subjected to conditions,
- Performing the control duties and the tax authority's tasks defined in the Excise Act and the legislation issued for the implementation thereof,
- Preventing, detecting and adjudicating minor financial (customs, foreign exchange, tax and excise) offences defined by law,
- Guarding, and to provide accompaniment to, physical property of a predefined circle.

As the employees of this organizational unit may perform random control activities anywhere within the country's territory, local conspiracy cannot evolve, and the chances of detecting violations of law are better, which makes crime prevention more effective. Its unity allows the organization to carry out a single control or a series of controls at various locations at the same time, as well as demonstrative actions. In addition to performing its own duties, the service also acts as the organization's strategic reserve.

Due to the Service's high level of mobility, its controls are unexpected while its easy-to-plan nature makes it an effective means of supplanting illegal commerce. Their presence enhances economic stability, the fairness of competition in the market, and the payment discipline of customs duties and taxes payable to the state.

Over the recent years the patrol service has conducted more than 3,000 inspections in the course of which they detected various violations of law in 830 cases. The value involved in the offences detected exceeded HUF 800 million.

Legal Approximation Relating to the Customs and Finance Guard

The New Customs Act

As a result of an amendment thereto coming in effect on 1 July 2000, Act C of 1995 is almost fully in compliance with EU's expectations and international requirements. The Customs and Finance Guard's National Headquarters has established a separate committee to harmonize the legal material of Hungary's Customs Act in force and the European Union's Customs Code. The committee develops proposals that provide assistance to the legislators.

As a result of their proposals, the following new legal institutions have been implemented:

- Customs procedures with economic effect;
- Simplified procedures;
- Binding tariff information (BTI);
- Binding origin information (BOI).

Legal Approximation Relating to the Excise Area

Previously phrased as an EU requirement, the classification of wine as a product subject to excise has been a significant progress in the excise area. The Excise Act was amended with the entry into force of Act XCIX of 1999, which subjected wine to excise as of 1 August 2000. Further approximation is required in terms of tax levels in the excise area. Hungary now establishes much lower levels of excise taxes than the European Union. The difference is particularly significant with respect to tobacco products.

Cooperation in Internal and Judicial Affairs Fighting Against Organized Crime

The International Criminal Cooperation Center (Hungarian abbreviation: NEBEK) organized at an international level is an outstanding example of the fight against organized crime.

The Customs and Finance Guard's National Headquarters has appointed the NEBEK liaison officer in Hungary who started working at the Budapest headquarters of the International Criminal Cooperation Center operated under the National Police Headquarters' supervision, on 1 July 2000. In response to international inquiries, NEBEK will, pursuant to the provisions of the international agreement, forward the data it has obtained via its liaison officer delegated abroad to the inquiring law enforcement agency.

Further tasks to be realized by 31 July 2002, will be to take additional measures against organized crime and set up a working group within the organization for radio communication purposes. The radio communication group's planned composition is the following:

- Department of Special Affairs, Customs and Finance Guard,**
- Investigation and Offences Department, Customs and Finance Guard,**
- Integration Office, Customs and Finance Guard,**

As an important element of fighting against organized crime, risk analysis is to be developed in Hungary, which will provide significant assistance in combating organized crime. The development of risk analysis systems is in progress now at the Customs and Finance Guard's Customs Directorate and at special areas. Our employees engaged in risk analysis have developed the way of processing the data of detected crime, through processing daily reports and creating a database of the data gained therefrom. By entering the data into the database, details about the modi operandi noticed and offenders could also be input, which has made the data of customs clearances showing strange similarities suitable for analysis. With respect to risk analysis, arising tasks should be solved continuously at their origin.

As far as risk analysis is concerned, study tours will need to be organized abroad and guest lecturers invited in order to make the Customs and Finance Guard's staff familiar with and widely train them in the methods proven and applied in the European Union so that such methods are put in practice as soon as possible.

Customs Cooperation

Naples Treaties Nos. 1 and 2 serve as the bases of customs cooperation in the European Union. Until Hungary joins the EU, its customs cooperation will continue to take place under bilateral agreements. Today Hungary has agreements on customs cooperation with more than 20 countries, and carries on negotiations in this respect with several other states.

The Naples Treaty No. 2 has a scope that extends to the EU member states, therefore, Hungary can become a participant in the Treaty only after joining the European Union.

The Chapter on internal and judicial affairs of Hungary's national program for adopting the European Union's achievements (ANP) indicates the development of a liaison officer system as an integration task. The Chapter declares that Naples Treaty No. 2 contains requirements that exceed bilateral agreements on customs cooperation. It identifies the task of creating a system of customs liaison officers within customs administrations.

The national program for adopting the European Union's achievements (ANP) suggests creating the liaison officer network relating to the Naples Treaty No. 2. from 2001. The proposal stipulates as a precondition thereof that a positive decision should be made at the domestic conciliatory negotiations to be held on the development of the network.

Another important area of customs cooperation is the computer-aided information gathering and transfer between EU member states (Customs Information System or CIS) that allows national customs administrations to exchange information relevant to customs with the aid of a computer network.

Another task for the organization is to develop a concept on the operation of the Customs Information System (CIS) and to invite a twinning program in consideration of the COP 2000

PHARE program, which is being currently organized in the framework of a twinning program with the Spanish customs administration, and to build up, pursuant to Article 6 of Naples Treaty No. 2, a system of customs liaison officers (customs attachés) which is to be implemented and conceptualized by the Integration Office. As customs administrations have to perform Community tasks that change on an everyday basis, the objective is to create a uniform infrastructure.

Guarding the Border

Until its accession with the EU, Hungary continues to modernize its border points in compliance with the EU's requirements. The goal of modernization was also confirmed by Government Resolution No. 2087/2000 (V.5) on "The Tasks and Measures Relating to the Guarding of Hungarian Borders, Controlling Border Traffic and Developing Border Points in Connection with the Country's Accession with the European Union".

In consideration of the dates when Hungary and its neighbors may join the EU, the following three categories should be taken into account in developing border points:

- External borders (i.e., borders with the Ukraine, Romania, Yugoslavia, and Croatia in the long term),**
- Internal borders (i.e., the border with Austria),**
- Prospective internal borders (i.e., borders with Slovakia and Slovenia in the short term).**

On the Ukrainian, Romanian, Croatian, and Yugoslavian sections of the border that will definitely function as external borders once Hungary joins the EU, altogether 23 border points can be found today for road traffic, 11 for railway traffic and one for water traffic. The total staff of professional customs officers serving at those border points numbers 938 people.

Three 'beam gates' have been installed along the border section indicated (one at Záhony road, another one at Záhony railway and the third one Ártánd road). In addition, 16 drug-sniffing dogs (One at Záhony road and railway, one at Tiszabecs road, three at Ártánd road, three at Gyula road, three at Nagylak road, one at Rösztke road, two at Tompa road, one at Letenye road, and one at Murakeresztúr) assist the efficient work of the customs offices. It is Hungary's intent to enhance control at its external borders, create a suitable information system (SIS), and ensure that risk analysis strategies are employed.

In order to carry out control activities near internal borders, mobile groups will have to be set up that are able to engage in combat against crime even by means of surveillance over the border, or by pursuit on a hot trail. The groups' human resource requirements can be met from the staff freed upon the abolishment of the internal borders.

In developing the border traffic control at border points, the following aspects should be considered:

- Border points should be established at the intersections of international main routes and the borderline;**
- The volume of the traffic at the existing border points, the number of temporary openings, and the traffic crossing on these occasions at new border points, or, if they are permanently open, their expected annual traffic;**
- The need to open for goods traffic, in addition to passenger traffic;**
- To open border points that can be established from low budgetary expenditure.**

Cooperation with the Police Department

Two new legal institutions should be mentioned in relation to the cooperation with the police. These are over-the-border surveillance and pursuit, which are new legal institutions both in the actual Hungarian legislation and in Hungarian investigative practice. Investigative authorities will carry out the tasks of surveillance, over-the-border pursuit, and crime prevention.

A basic precondition for the above legal institution to function effectively is to build up an adequate intelligence system. The new system will, under Article 44 of the Regulation on the implementation

of the Schengen Treaty, allow so-called 'standby services' to carry out information cooperation over the border.

In Article 125 of the Regulation on the implementation of the Schengen Treaty, contracting parties agree that their customs administrations will delegate liaison officers to one other. The goal of sending liaison officers is to promote and accelerate general cooperation between the contracting parties, with particular respect to the effective agreements on mutual assistance and to Community documents. Liaison officers will perform advisory and assistance tasks, they will have to take measure on their own initiative in customs administrative cases.

In order to appoint persons who are to act as customs liaison officers, the Customs and Finance Guard's National Headquarters has invited a tender to the EUROPOL center situated in The Hague. The tender has been closed successfully, and the awarded bidder, once prepared to perform a liaison officer's duties and all the other conditions for its delegation are met, can take the aforementioned position from 1 January 2001.

Fight Against Corruption

In coordination with the Customs and Finance Guard's Department of Special Affairs, the Customs and Finance Guard's anti-corruption strategic plan was prepared and approved on 17 July 2000. The organization's current state, as well as the external and internal factors fostering corruption were assessed in the strategic plan. Based on the experience, an action plan was developed to address and prevent corruption. The people responsible have been appointed and the deadlines for the various special areas have been set for performing the tasks planned.

Legal Approximation Relating to Economic Crime

Section 16, subsection (3) of Act I of 1973 on the Penal Procedure, as amended, designates as of 1 March 2000, organizations to conduct investigation as competent bodies if reasonable suspicion arises that an international legal obligation has been violated (Section 261/A of the Criminal Code), an obligation concerning the traffic of internationally controlled substances and technologies has been violated (Section 287), foreign trade activity has been performed without any permission (Section 298), a false description of an excise product or customs goods has been given (Section 296), or any of copyrights or related rights have been violated (Section 329), if the Customs and Finance Guard has become suspicious of such an offence.

This arrangement has caused the Customs and Finance Guard's investigative power to approximate the European Union's legal practice. Even now, the organization keeps daily contact with all the European customs organizations' units responsible for detecting and investigating similar offences, and the exchange of such information has become a well-established practice for many years.

While performing their work, Hungarian surveillance and investigative organizations may employ covert means that are not subject to a judicial permission, and, under the provisions of Section 90, subsection (16) of Act CIII of 1997 on the Excise Tax and the Special Rules of Trading Excisable Products, and under the provisions of Section 77, subsection (2) of the Act LXXV of 1999 on the Rules of Taking Action Against Organized Crime and Certain Related Phenomena and on the Various Related Amendments to the Law, even those that are subject to a judicial permission, such as telephone interception, surveillance and recording in private homes, clandestine search, and monitoring postal consignments and communications forwarded via telecommunications systems.

PHARE Programs

According to the Council's Regulation No. 3906/89 adopted on 18 December 1989, Hungary as a beneficiary country meets the requirements of participating in the Community's PHARE program. It is the date from which the PHARE program can be regarded as having started.

Actual payments of financial support from the Community's budget began pursuant to the

provisions of the Memorandum of Understanding on Financial Support, signed by the Commission and the government of the Republic of Hungary in September 1990.

In line with the Community's documents entitled "The Commission's Opinion about Hungary", the "Accession partnership" and the "National Program for the Adoption of Acquis", as well as with the memorandum of the 3rd Pan-European Transportation Conference, developing the transit routes for transportation in Europe and establishing EU conforming border points at the EU's external borders should be treated as high priorities.

In consideration of the above-mentioned documents, the European Union grants PHARE support for highway junction points, designed to serve for international passenger and cargo traffic along Europe's new transit routes via Hungary, i.e., the new M5 and M7 highway routes that are being implemented at the border points at Rösztke and Letenye in accordance with EU's requirements. In the framework of National Program HU98.05.02 under cooperation in internal and judicial affairs, the border points at Rösztke and Letenye are undergoing modernization.

Rösztke

The available EUR 4,500,000 in PHARE funds were fully committed before 30 September 2000. An evaluation report on the bids received until 10 May 2000 was sent to the EU's Embassy in Budapest on 12 May 2000, and the Office approved it on 2 June 2000. Then the resulting contract was submitted to the EU's Embassy in Budapest on 6 July 2000, and they approved it on 19 July 2000. The net contractual value amounts to EUR 11.32 M, of which EUR 4.5 M are PHARE funds, the Hungarian party co-finances EUR 6.82 M. Delivery of the area took place on 31 August 2000.

Letenye

The available EUR 2,500,000 in PHARE funds were fully committed before 30 September 2000. The contract was submitted to the EU's Embassy in Budapest on 6 July 2000, and they approved it on 25 July 2000.

The net contractual value amounts to EUR 7.16 M, of which EUR 2.5 M are PHARE funds, the Hungarian party co-finances EUR 4.66 M. Delivery of the area took place on 7 September 2000. The Customs and Finance Guard was granted PHARE support for the implementation of BTI and BOI in the framework of the National Program in 1998. Under the legislation in force, these systems will begin to function in Hungary as of 1 January 2001. The implementation of BTI and BOI requires a well-equipped customs laboratory where examinations necessary for the tariff classification of goods can be carried out. The Customs and Finance Guard's Institute for Chemical Analyses is currently being equipped and manned with the adequate number of specialists from PHARE funds.

Regarding PHARE programs, it is of great importance that on 12 September 2000 Imre Boros, minister without portfolio responsible for PHARE affairs, and Michael Lake, EU Ambassador signed the COP 2000 PHARE national program on EUR 65 million in support to be committed by October 2002.

To realize the twinning programs included in the COP 2000 program, the Hungarian customs authorities' needs were announced to the EU member states, in response to which the customs authorities of Spain and Germany made their respective offers to provide assistance covering all areas of the topics indicated and assistance concerning mobile units. Once received, the written bids were presented on 22 September 2002 in the presence of representatives of the European Union's Embassy, of the Prime Minister's Office and the Customs and Finance Guard's Integration Office. The Integration Office opted for the Spanish bid, covering the following topics:

- Migration;
- Money laundering;
- Protection of secrets;
- Common agricultural policy;

- CIS system;
- TARIC;
- Customs procedures with economic effect;
- Origin.

The detailed elaboration of the topics and of their practical implementation are still progress which makes it possible to prepare in the near future the bilateral agreement that will specify the professional assistance in the above topics, broken down by the specialist and a schedule thereof. To widen civil servants' knowledge about the EU, using PHARE funds, the Péter Pázmány Catholic University organized, within the framework of the Tempus program, a further training course, which was attended by employees from the Customs and Finance Guard's specialist departments and Integration Office, between 1 October and 15 December 2000.

Border traffic nation-wide (1996)

Number of border-crossing	Outbound	Inbound	Total
- Persons	53,445,262	56,875,979	110,311,172
- Trucks	1,577,688	1,431,841	3,009,528
- Automobiles	14,449,739	15,536,155	29,985,894
- Coaches	228,156	241,047	469,203
- Motorcycles	47,358	49,951	97,309
- Aquatic vehicles	5,164	5,165	10,320
- Aircraft	26,606	27,479	54,085
- Rail cars	492,383	522,028	1,014,411

Trends in the export and import turnover

	1995		1996			
	cases	Value (HUF billion)	cases	Value (HUF billion)	cases	Value
Imports						
Final importation	958,067	1,639.6	967,171	2,036.0	101.0	124.2
Temporary importation	102,557	372.0	117,539	488.7	114.6	131.4
Reimportation	21,410	22.0	21,427	66.2	100.1	300.9
Total	1,082,034	2,033.6	1,106,137	2,590.9	102.2	127.4
Exports						
Final exportation	808,057	1,205.5	738,850	1,512.9	91.4	125.5
Temporary exportation	17,508	30.5	19,589	71.8	111.9	235.4
Reexportation	169,982	473.5	194,694	677.4	114.5	143.1
Total	995,547	1,709.5	953,133	2,262.1	95.7	132.3

Customs revenues in HUF million

Year	Duty	Statistical Duty	VAT	Consumption tax	Surtax	Total
1990	42.30	9.60	94.10			146.00
1991	64.40	15.40	151.30			231.10
1992	69.08	23.55	165.57	7.91		266.11
1993	74.43	24.63	216.12	14.04		329.22
1994	93.32	28.67	292.48	25.07		439.54
1995	97.53	29.27	388.20	34.75	73.15	622.90
1996	93.37	22.67	486.15	31.31	98.75	732.25

Number of duty licences issued by the Customs and Finance Guard (1996)

Description of duty product	Subcontract	Producer	Warehouser	Wholesaler	Exporter	Importer
producer activities included in the duty licence issued						
Cured tobacco	3	4	13	3	9	11
Tobacco product	5	5	41	661	41	61
Liquor	35	12	40	307	107	119
Brandy	478	106	24	200	63	74
Alcoholic beverage	114	45	77	816	124	145
Beer	193	26	43	738	63	84
Petroleum product	27	14	54	156	114	144
Other petroleum derivatives	29	13	32	117	98	123
Coffee	27	6	34	586	46	65
Ground paprika	29	3	17	326	25	22
Total	940	234	375	3,910	690	848

Licensed brandy distillers (1996)

Name of regional	Brandy	Marc	Dregs	Cherry	S.cherry	Apple	Pear	Plum
headquarters raw material quantities in thousand kg								
Southern Transdanubia	12.70	3,543.15	0.00	0.40	-0.40	0.00	22.23	159.76
Region between the Rivers Danube and Tisza	219.75	1,521.66	3,331.10	32.53	1.00	937.76	841.32	6,901.71
Northern Hungary	32.17	3,718.07	713.70	7.80	0.00	0.00	27.67	5,313.61
Southern Plains	1.00	259.00	110.00	1.00	1.00	6.00	73.00	7,956.00

Northern								
Transdanubia	29.00	1,704.00	82.00	3.00	0.00	1.00	160.00	291.00
Northern Plains	734.25	1,346.11	20.77	0.00	0.00	1,214.36	948.36	7,763.30
Western Transdanubia	1.50	64.00	3.00	4.50	0.00	0.50	322.00	590.50
Central Hungary	684.00	2,506.00	947.00	13.00	0.00	37.00	140.00	1,857.00
Budapest	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total	1,714.37	14,661.99	5,207.57	62.23	2.40	2,196.62	2,534.58	30,832.88

Statement on trends in spirits duty revenues broken down by counties (1996)

Counties	Amount of distillation tax; default penalty and tax-type fines in HUF		Index (1995=100)
In 1995	In 1996		
Baranya	44,450,222	67,718,723	152.3
Bács-Kiskun	42,034,484	74,498,862	177.2
Békés	82,413,294	282,726,731	343.0
Borsod-Abaúj-Zemplén	227,990,657	392,560,120	172.2
Csongrád	71,216,728	137,291,531	192.8
Fejér	73,629,212	96,327,983	130.8
Győr-Sopron	24,250,129	40,481,298	166.9
Hajdú-Bihar	172,346,060	277,084,038	160.8
Heves	66,533,197	87,277,927	131.2
Komárom-Esztergom	39,412,844	51,757,480	131.3
Nógrád	51,378,322	106,507,267	207.3
Pest	65,748,519	126,183,893	191.9
Somogy	68,234,821	103,557,760	151.8
Szabolcs-Szatmár-Bereg	191,248,145	251,278,796	131.4
Szolnok	108,405,868	200,015,675	184.5
Tolna	48,594,724	71,749,468	147.6
Vas	48,283,624	82,090,171	170.0
Veszprém	41,071,121	58,805,252	143.2
Zala	22,597,616	34,581,231	153.0
Capital city	671,060	79,980	11.9
Total	1,490,510,647	2,542,574,186	170.6

Seizures in 1996

Description	Unit	Quantity
Artificially cured tobacco	kg	31
Cigarettes and cigars	1000 PCs.	50,762
Spirits	hlf	26,599
Alcoholic beverages	hlf	84,022
Beer	hl	5,008
Coffee	kg	154,903
Ground paprika	kg	3,910.25
Gasoline	liter	665,791
Gas oil and heating oil	liter	1,306,124
Other petroleum derivatives	liter or kg	1,698,828

Confiscations in 1996

Description	Unit	Quantity
Artificially cured tobacco	kg	5.50
Cigarettes and cigars	1000 PCs.	34,589.071
Spirits	hlf	9,228.57
Alcoholic beverages	hlf	87,673,061
Beer	hl	10,915,687
Coffee	kg	9,193.09
Ground paprika	kg	2,639.95
Gasoline	liter	189,422
Gas oil and heating oil	liter	957,166
Other petroleum derivatives	liter or kg	118,881
Household heating oil	liter	280
Semi-finished paprika prod.	kg	0
Sugar mash	liter	571,416
Machines	PCs.	186
Manufacturing equipment	PCs.	35
Vehicles	PCs.	206

Destructions in 1996

Description	Destruction by sale		Actual
Unit	Quantity	Value (HUF)	

Artificially cured tobacco	kg	17	28,800	144.35
Cigarettes and cigars	1000 PCs.	644.52	2,115,089	24,738.097
Spirits	hlf.	5,243.20	137,990	3,192.868
Alcoholic beverages	hlf	17,498.44	4,928,978	27,720.564
Beer	hl	92.211	816,812	1,121.341
Coffee	kg	4,807	4,471,177	4,920.33
Ground paprika	kg	2,000	289,100	482.25
Gasoline	liter	12,759	355,462	0
Gas oil and heating oil	liter	366,220	8,858,416	580.60
Other petroleum derivatives	liter or kg	82,106	1,048,523	0
Household heating oil	liter	1,580	47,400	400
Semi-finished paprika prod.	kg	0	0	0.30
Sugar mash	liter	477,600	1,264,175	61,200
Machines	PCs.	0	0	0
Manufacturing equipment	PCs.	0	0	8
Vehicles	PCs.	0	0	0

Statement on payments made in 1996 (HUF)

Period	Payments		Total (HUF)
Duty fines (HUF)	Sales (HUF)		
January	27,466,874	874,872	28,341,746
February	57,369,624	3,372,483	60,742,107
March	33,511,581	150,301	33,661,882
April	33,581,498	y 1,224,980	34,806,478
May	27,666,080	38,213,059	65,879,139
June	30,869,288	-132,370	30,736,918
July	31,606,372	7,419,398	39,025,770
August	31,536,309	11,797,379	43,333,688
September	37,306,651	3,691,375	40,998,026
October	60,800,479	-11,178,370	49,622,109
November	37,973,393	8,171,121	46,144,514
December	33,914,691	3,773,377	37,688,068
Total	443,602,840	67,377,605	510,980,445

Statement on the number of temporary and final dosings in 1996

County (Municipal) Headquarters	Manufacturing plant					
	For 10 days	For 30 days	Permanently	For 10 days	For 30 days	Permanently
Baranya, Somogy and Tolna		0	0	0	1	0
Bács-Kiskun and Jász-Nagykun-Szolnok		0	0	1	0	0
Borsod-Abaúj-Zemplén and Heves		0	0	1	0	0
Csongrád és Békés		0	0	0	0	0
Győr-Moson-Sopron, Komárom-Esztergom and Veszprém		0	0	0	0	0
Hajdú-Bihar and Szabolcs-Szatmár- Bereg		0	0	0	0	0
Vas and Zala		0	0	0	0	0
Pest, Fejér and Nógrád		0	0	2	0	0
Capital city		0	0	0	0	0
Total		0	0	4	1	0

Market and public area inspections

Name of county	No. of inspections headquarters	Damage in total (HUF)	Spirits (hlf)	Alc, bev. (hlf)	Beer (liter)	Coffee (kg)	
Baranya, Somogy and Tolna	617	10,545,814	598	5,276	5,755	1	
Bács-Kiskun and Jász- Nagykun-Szolnok	563	10,514,276	135	1,647	355	5,546	
Borsod-Abaúj-Zernplén and Heves	860	22,401,073	3	4,884	233	35	
Csongrád és Békés	357	1,818,769	41	855	118	47	
Capital city	292	17,535,666	-	4,433	1,743	121	
Győr-Moson-Sopron, Komárom-Esztergom and Veszprém	298	3,288,008	406	1,873	215	72	
Hajdú-Bihar and Szabolcs- Szatmár-Bereg	439	66,330,588	2,009	9,751	508	123	
Pest, Fejér and Nógrád	657	13,240,516	619	5,112	1,317	67	
Vas and Zala	351	2,836,915	-	3,618	1,300	20	
Total	4,434	148,511,625	3,811	37,449	11,544	6,032	

Statement on the result of inspections held from 5 to 15 July 1996 in connection with tobacco products

Name of county headquarters	Private persons investigated	Economic units investigated	No. of procedures instituted	Quantity (1000 kg)	
W/original seals		W/counterfeit seals		W/O seals	
quantity	value	quantity	value	quantity	value
Baranya, Somogy and Tolna	6,161	733	20	33,761	2,800
Bács-Kiskun and Jász-Nagykun-Szolnok	91,948	1,408	65	55,040	3,600
Borsod-Abaúj-Zemplén and Heves	2,309	2,244	83		
Csongrád és Békés	925	2,737	31	1,440	
Győr-Moson-Sopron, Komárom-Esztergom and Veszprém	5,769	3,057	27	115,740	1,100
Hajdú-Bihar and Szabolcs-Szatmár-Bereg	963	1,938	110	36,920	2,800
Pest, Fejér and Nógrád	125	3,378	68	87,120	6,000
Vas and Zala	19	690	11	6,880	
Capital city	498	192	34	29,500	2,800
Total :	108,717	16,377	449	376,499	2,800

Statement on the result of targeted inspections held from 20 July to 30 September 1996 in connection with the touristic season

Name of county headquarters	No. of investigation	Revocation of duty	No. of businesses				
closed Temp.	Pem.	Spirits (hlf)	Alcoholic bev. (hlf)	Beer (hl)	Cigarettes (kg)	Tobacco (pcs.)	Coffee (kg)
Baranya, Somogy and Tolna	543	23	13	9	9.60	3,348.78	57.10
Bács-Kiskun and Jász-Nagykun-Szolnok	514	2	1	2	201	849.77	3.51
Borsod-Abaúj-Zemplén and Heves	426	21	2	21	1.30	1,072.65	4.31
Csongrad és Békés	489	11	12	10	4.79	375.60	4.75
Capital city	531	3	24	15	-	2,906.96	27.67
Győr-Moson-Sopron, Komárom-Esztergom and Veszprém	668	6	14	26	-	502.02	6.30
Hajdú-Bihar and Szabolcs-Szatmár-Bereg	1,113	17	2	17	75.48	5,599.40	9.71
Pest, Fejér and Nógrád	502	43	32	37	105.92	34,292.70	13.87
Vas and Zala	316	18	11	18	-	208.34	8.57
Total	5,102	144	111	155	398.09	49,156.22	135.79

Details of the subsequent inspections carried out by the National Headquarters in 1996

Name of Company	Investigation from	to	Calculated revenue
STAMFORD Kft.	26 Oct. 94	2 Feb. 96	36,959,605
MOUECORN Kft.	25 May 95	5 Feb. 96	8,240,388
AMERO-KOMMERSZ Bt.	26 May 95	5 Feb 96	5,036,653
COCA-COLA AMATIL Hungary Kft.	21 Aug. 95	9 Apr. 96	417,874,969
CARNEX Kft.	7 Sept. 95	22 Mar. 96	171,235,264
OPEL Magyarország Járműgyártó Kft.	5 Oct. 95	18 Mar. 96	1,077,881,657
FREI Vállalkozásszervező Kft.	22 Feb. 96	13 Mar. 96	1,480,209
GTS NO Kft.	22 Feb. 96	21 May 96	34,472,219
METRO Kereskedelmi Kft.	28 May 96	20 Jun.96	13,989,922
METRO Budaörsi Nagykereskedelmi Kft.	10 Jun. 96	26 Jun. 96	243,351
METRO Ferencvárosi Nagykereskedelmi Kft.	10 Jun. 96	26 Jun. 96	95,038
COPY MIX Kft.	13 Jun. 96 .	4 Nov. 96	1,104,733
ECOPLAST Műanyagipari Kft.	2 Oct. 96	26 Nov. 96	6,607,396
HTR Technikai Rendszerszolgáltató Kft.	2 Oct. 96	26 Nov. 96	2,922,428
Total			1,778,143,832
Income realized			1,373,898,350

Summons from abroad

No.	Sending organ	Subject	Name of inv
1	Polish customs	Summons in connection with the Polish firm UNITRED - investigation of DOW Kft.	Budapest H
2	Russian customs	Summons regarding the Spectr firm	Csongrád a
3	Polish customs	Polish summons regarding the Phu Tazel firm	Hajdu-Biha
4	Polish customs	Polish summons regarding the Agraimpex firm	Bács-Kisku
5	Czech customs	Czech summons regarding Lencses Kft.	Investigatio
6	UCLAF	Exportation of uncured tobacco to Hungary (Received by Egri Dohanygyar Kft.)	Borsod-Ab
7	Czech customs	Czech summons concerning Imre Miller, Prinz Tranzit and CMT (Exportation of vodka)	HQ
8	Russian customs	Russian summons regarding the Debrecen shipping firm, TEMBO Bt.	Budapest H
9 .	Slovak customs	Slovak summons regarding the firms JEROFEX and GALAXIA	HQ
10	Polish customs	Polish summons (meat) regarding the firms METRACO, DHS and AGRIMPEX	Budapest H
11	Russian customs	Russian summons (sugar) regarding the firms BAGGY and NEOTON WEST	Vas and Za

12	Russian customs	Russian summons regarding the firm HUNGASEKT TRADE Kft.	Bács-Kiskun
13	Polish customs	Polish summons regarding BABOLNA TETRA Kft. (exportation of day-old chicks)	
14	Czech customs	Czech summons concerning the firms BARTOK and SELIKO	Hajdú-Bihar
15	Belgian customs	Belgian summons regarding the firm TETRANS Kft.	Budapest H
16	Slovak customs	Slovak summons regarding holton-type double horns	
17	Greek customs	Greek summons regarding CHRISTOS FIFLIS the firm SIA OE (investigation of BANINA Kft.)	Budapest H
18	German customs	Company	HQ
19	Moldavian customs	Moldavian summons regarding the firms Varda Spirit and Varda Drinc Kft.	Hajdu-Bihar
		(Examination of the customs value of corrugated asbestos)	
20	Russian customs	Russian summons regarding the case of Karoly Losonczy.	Borsod-Aba
21	Romanian customs	Romanian summons regarding NOVRO Bt., Debreceni Husipari Rt., HAJDUBET Rt. and GALLICOOP Rt.	Baranya, So
22	French customs	Regarding the case of EXTREME Kft.	
23	Slovak customs	Investigation of KOLIKEN Kft.	
24	Ukrainian customs	In connection with Nyitrai Likoripari Vallalkozas	
25	Slovak customs	Regarding the case of EUROPA Bt. (rum)	
26	German customs	Case of ECOTEX Kft.	Bacs-Kiskun
27	Italian customs	Case of UNINVEST Kft.	
28	Italian customs	Case of UNINVEST Kft.	
29	Italian customs	Summons in connection with butter shipment	
30	Belgian customs	Case of UNINVEST Kft.	Csongrád a
31	Czech customs	Oil case of Pavel Toman	
32	Polish customs	Goods exported by BUSZESZ Rt. and MARTEX 94 Bt. to the Bracia.0lbrich firm	
33	Polish customs	Meat shipments to Poland by CARNEX Kft.	
34	Customs Investigation Office	HUNGAROCAMION Rt. (cigarettes)	
35	Croatian customs	SIZ Export-Import firm	Csongrad a
36	German customs	Summons in connection with salami	
37	Slovak customs	Summons in connection with reel oil (MOBIL Bt.)	
38	German customs	Summons in connection with illegally completed EUR 1 consignment note	
39	Austrian customs	Summons in connection with TERIMPEX Kft.	
40	Slovak customs	Case of AMTRADE, BH and SJ Kft.	
41	International Liaison		
	Office of Central		
	Customs Admin.	Case of Horváth es Tsa Bt. (Exportation of spark plugs)	
43	Austrian customs	Export cargo of UKM REKARD Kft. (underbilling?)	HQ
44	Slovak customs	Case of Tamási Agrostart Bt.	Inspection C
45	Slovak customs	MURRYA Bt.	Inspection C

46	Italian customs	In connection with...	Vas and Za
47	Russian State		
	Customs Committee	Summons in connection with Tekisz Rt.	Hajdú-Biha
48	Polish customs	In connection with the exports of KORONA Kft. into Poland	Baranya, So
49	Turkish Embassy,		
	Budapest	Request in Turkish list	
50	Austrian customs	Case of Wiesenthal and OttAutohaz Kft.	Investigation
			of the Custo
51	Greek customs	Investigation of the export transactions	
		of Vinceller Export-Import Kft., AMAZON Kft., Laszlo Molnar, Private Entrepreneur	

Summons from associated organizations

Sending organ	Subject	Name of
APEH	Request of data on the eXport	
(Internal Revenue Serviced	and import activities of Eva Oil Trade	
APEH	Request of data on Veres és Társa	
APEH	Request of data on Szilágyi és Gábor Kft.	
APEH	Request of data on ECCO Kft.	
APEH	Request of data on NIVOGLASS Kft.	Pest, Fej
APEH	Kmetyko Trade Bt.	
APEH	Request of data	
APEH	Request of data	
APEH	Request of data on PLAYSYSTEM Kft.	
APEH	Request of data on ITIEL Kft.	
APEH	Request of data	
APEH	Request of data on B and M Kft.	
APEH	MM and ZM Kft.	Záhony C
		Airport C
APEH	Request of data on Independent Kft.	
APEH	Request of data on BIRAMA Kft.	
APEH	Finn Faház Kft.	
APEH	FAY Transport	
APEH	Horváth L+L Kft.	County I
APEH	MICROKONTAKT Kft., IURIS Kft. and NPC Kft.	
APEH	Ildikó Hartányi	Investiga
		of the Cu
APEH	SEMTEX Kft.	
APEH	AZAZELLO Kft.	

APEH	TOOFOOD Kft.	
APEH	TENDERS Kft.	
APEH	CANTRADE Kft.	
APEH	APOLLÓ Konfekció Kft	
National Police HQ	Case of IOURI MOROZOU	
Gödöllő Police HQ	GALGA AFESZ	
Pécs Police HQ	Resolution (brought against Autó Paradik,	
	Croatian citizen)	
National Police HQ	Case of Uladimir Sobolevski	
APEH Pest County Directorate	EXport turnover of MELEAGROS Kft.	Baranya
Pest County Police HQ	Wheat exports of PROFIL-INVEST Project Rt.	
APEH Pest County Directorate	EXport turnover of ROLYALY Bt.	
APEH Pest County Directorate	EXport turnover of INOKAI Kft.	
APEH Pest County Directorate	EXport turnover of HAL-INNOFISC Kft.	
APEH Pest County Directorate	EXport turnover of VIMEX Kft.	
APEH	Export turnover of SIPOSPACK Kft.	
APEH	Export turnover of REZT Kft.	
APEH	Case of MPC CARD SYSTEM Kft.	
Ministry of Industry and Trade	Loading pallet exportation	
	(Plattendepot, Rámisz and EPI Kft.)	Budapest
AT	Case of Szlovák és Társa Kft. (VAT refund)	Záhony
Ministry of Industry and Trade	In the case of smuggling matches	
Chief Supervision for Consumer Protection ‘	Rt.,and Injekt Kft.	Budapest
APEH Pest County Directorate	EXport turnover of Trans-Champignon Kft.	
APEH North Budapest Directorate	EXport turnover of MIT 2000 Kft.	
Licensing Div. of Ministry of Industry and Trade (case taken by VAF)	Export and passive processing of gemstones (Voluta Kft. and CeteX Kft.)	
Crimes Chief Directorate of National Police HQ	Investigation of financial crime	
Crimes Chief Directorate of National Police HQ	Investigation of financial crime	
Crimes Chief Directorate of National Police HQ	Investigation of financial crime	

Details of the subsequent inspections carried out by the County Headquarters in 1996

	Target	Actual
Baranya, Somogy and Tolna	17,635,301	14,649,808
Bács-Kiskun and Jász-Nagykun-Szolnok	44,104	-
Borsod-Abaúj-Zemplén and Heves	43,934,987	12,803,653
Csongrád és Békés	115,560,060	1,261,474
Budapest HQ	355,713,826	2,007,319
Győr-Moson-Sopron, Komárom-Esztergom and Veszprém	4,460,479	386,740

Hajdú-Bihar and Szabolcs-Szatmár-Bereg,	-	-
Pest, Fejér and Nógrád	27,482,078	7,159,056
Vas and Zala	16,892,273	7,403,062
Total	581,723;108	45,671,112

Summarized results of subsequent inspections carried out in 1996

Supervisory organs	Target	Actual
Supervisory Departments of County HQs	581,723,108	45,671,112
Inspection Office of the Customs and Finance Guard HQ	1,778,143,832	1,373,898,350
Total	2,359,866,940	1,419,569,462

Summons from abroad and associate organs in 1996

<i>Summons received by county HQs</i>			
From abroad	75		
From associate organs	359		
<i>Summons received by the National HQ</i>			
	1994	1995	1996
From abroad	15	31	52
From associate organs	*	*	52

Results of the subsequent inspections carried out by the National Headquarters

1993	1994	1995*	1996
4,159,457,227	1,415,776,608	20,699,857,999	1,778,143,832

* Includes the results of the investigation of Kodax Rt.

Trends in the number of subsequent inspections conducted in the years 1993-1996

	1993	1994	1995	1996
Investigations of the National HQ	81	89	55	37
County investigations			86	174
Total	81	89	141	211

* So far no organizational unit has been established.

Nationalities of the perpetrators of acts in violation of the law investigated by the Customs and Finance Guard

Nationality	Number 1995	1996	Damage caused 1995	1996
Ukrainian	5,030	5,274	307,278,595	141,496,798
Romanian	1,739	1,619	85,348,136	156,656,954
Yugoslavian	1,349	485	1,003,063,410	780,474,268
Polish	566	296	108,953,210	25,903,368
Turkish	124	222	78,593,218	829,032,687
Slovak	100	141	81,186,758	80,788,264
Bulgarian	132	103	14,134,430	111,725,968
German	88	99	225,557,901	228,144,221
Croatian	96	73	23,604,021	125,886,267
Czech	19	45	27,346,164	13,558,219
Italian	32	30	31,502,326	51,288,069
Austrian	64	25	208,488,659	412,080,367
Chinese	45	25	135,375,615	247,085,015
Slovenian	21	22	39,488,053	2,313,288
Dutch	21	13	7,695,507	17,419,311
Syrian	6	13	2,503,248	7,909,317
Macedonian	10	10	617,699	11,247,981
Lithuanian	15	6	6,063,099	906,647

Financial crimes and violations investigated by the Customs and Finance Guard

	1995		1996		1997
No. of acts	Distribution %	No. of acts	Distribution %		
Smuggling and receiving of contraband	1,581	9	1,814	12	1
Foreign exchange crime	1,027	6	516	4	
Abuse of authority and duty-associated crime	502	3	452	3	
Tax and social security fraud	225	1	321	2	1
Cheque abuse	11	0	3	0	
Criminal acts in total	3,346	18	3,106	21	
Violation of customs law	10,675	58	10,253	70	
Violation of foreign exchange law	3,627	20	1,158	8	
Violation of tax laws	292	2	123	1	
Abuse of heating oil	373	2	3	0	

Violations in total	14,967	82	11,537	79	
Grand total	18,313	100	14,643	100	

Distribution of perpetrators by nationality

	Hungarian		Foreign		Unknown		
number	proportion %	number	proportion %	number	proportion %		
1995	7,617	40.49	9,385	49.88	1,812	9.63	1
1996	4,665	31.91	8,663	59.26	1,291	8.83	1
Index 1995=100	61.24	78.82	92.31	118.79	71.25	91.69	

Narcotic hauls from 1 January 1991 to 31 December 1996

	1991		1992		1993		1994
cases	weight (g)	cases	weight (g)	cases	weight (g)	cases	weight (g)
Heroin	4	6,100	10	74,065	17	422,994	17
Cocaine	4	8,660	6	8,041	3	2,418	6
Cannabis	2	2,746	4	880	9	3,307	2
Hashish	1	5	1	31	1	261,760	3
Khat			2	3,000			
Codeine	1	330			1	257	
Opium resin	1	1,006					
Amphetamine (pcs.)							
Ecstasy pills (pcs.)							
LSD stamps (pcs.)							
Total	12	17,841	23	86,017	32	691,742	28

Narcotics seized on roadways by countries on the Balkan route in 1996

	Heroin		Opium		Hashish		Cocaine		Cannabis
cases	weight (g)	cases	weight (g)	cases	weight (g)	cases	weight (g)	cases	weight (g)
Turkey	10	425,750			1	350			
Greece	6	66,810			2	23,480			
Italy	6	343,980							5
Bulgaria	21	170,153			3	9,003,794			

Romania	3	38,824			2	50				
Hungary	11	315,127			2	815,286			2	
Macedonia	1	4,070								
Slovakia	1	1,460								
Slovenia	1	11,000								
Bosnia-Herzegovina	1	5,670			1	240				
Yugoslavia	2	563,000								
Austria	1	20,000	1	17,500	1	73,300				
Czech Rep,	1	10,000							1	
France	3	128,510					1	1,030	1	
Spain	1	108,000								
Germany	23	259,688			1	28,000				
Great Britain	11	363,400								
Denmark	2	11,110								
Sweden	1	2,500								
Total	106	2,849,052	1	17,500	13	9,944,500	1	1,030	9	

Stolen vehicles seized at border crossings in 1996

No.	Dare seized	Location	Direction	Perpetrator's nationality	Model of vehicle	
1	17 Jan,1996	Csengersima	Exiting	BG	BMW 520)	3
2	21 Feb.1996	Battonya	Exiting	YU	UW Golf 1,6	3
3	16 Apr.1996	Gyula .	Exiting	HU	UW Golf	
4	16 Apr,1996	Záhony	Interior	unknown	Honda Legend	3
5	29 Apr,1996	Gyula	Entering	LT	Chrysler	3
6	2 Jun,1996	Battonya	Exiting	IT	BMW5	3
7	14 Aug,1996	Csengersima	Exiting	RO	Fiat Tipo	
8	17 Aug,1996	Nagylak	Exiting	H	BMW	4
9	30 Aug,1996	Tiszabecs	Exiting	SLO	Grand Cherokee	6
10	19Sept.1996	Beregsurány	Exiting	H	UWGolf	3
11	26 Sept,1996	Beregsurány	EXiting	VA	UW Golf	
12	30 Sept,1996	Békéscsaba Investig, Office	Interior	H	UW Golf Uariant	3
13	24 Nov,1996	Beregsurány	EXiting	UA	Lada Samara	
14	29 Nov,1996	Beregsurány	Exiting	VA	Lada	

Number of illegal border crossings investigated in 1996

No.	Customs office	Date	Direction	Mode of transportation	Hiding place/technique	
1	Hegyeshalom	6 Mar. 96	outbound	automobile	trunk	
2	Gyula	18 Mar, 96	inbound	truck	underneath cargo	
3	Hegyeshalom	21 Mar, 96	outbound	train	passport with false photo	
4	Hegyeshalom	21 Mar, 96	outbound	automobile	trunk	
5	Hegyeshalom	25 Mar. 96	outbound	international eXpress	false Spanish passport	
6	Hegyeshalom	2 Apr. 96	inbound	international express	false Italian passport	
7	Hegyeshalom	28 Apr. 96	outbound	automobile	inside trailer	
8	Tompa	16 Jun, 96	inbound	coach	inside trailer	
9	Gyékényes	26 Jun. 96	inbound	train	passport with false photo	
10	Ferihegy	28 Jul, 96	inbound	airplane	switching of persons	

Weapons and ammunition seized in 1996

No,	Customs office	Date	Direction	Mode of transportation	Nationality	Loaded
1	Tompa	16 Jan.1996	entering	automobile	YU	1
2	Rajka	22 Jan.1996	entering	automobile	CN	1
3	Letenye	1 Feb,1996	entering	automobile	HR	
4	Ártánd	26 Mar.1996	at check point	toilet tank	unknown	1
5	Szob	10 Apr.1996	eXiting	international express	unknown	
6	Röszke	19 Apr.1996	entering	automobile	RU	1
7	Gyula	29 Apr.1996	entering	automobile	LT	
8	Hegyeshalom	2 May 1996	exiting	automobile	AT	1
9	Békés Co, Investig.	3 Jun,1996	interior	home	HU	1
10	Salgótarján	19 Jun.1996	eXiting	automobile	SK	1
11	Tolna Co, Investig.	22 Jun.1996	interior	home	HU	
12	Lébény	29 Aug,1996	entering	automobile	TR	1
13	Battonya	30 Aug.1996	entering	automobile	TR	1
14	Szentgotthárd	8 Sept.1996	exiting	automobile	YU	1
15	Airport Customs 2	10 Sept.1996	unknown	restroom	unknown	
16	Hegyeshalom	24 Sept.1996	exiting	automobile	H	
17	Szob	25 Sept.1996	entering	international express	YU	

Permanent staff numbers as at 31 December 1996

Name of organ

National Headquarters of the Customs and Finance Guard

263 staff

Baranya, Somogy and Tolna County HQ

328 staff

Bács-Kiskun and Jász-Nagykun-Szolnok County HQ	360 staff
Borsod-Abaúj-Zemplén and Heves County HQ	346 staff
Csongrád és Békés County HQ	460 staff
Budapest Headquarters of the Customs and Finance Guard	710 staff
Győr-Moson-Sopron, Komárom-Esztergom and Veszprém County HQ	809 staff
Hajdú-Bihar and Szabolcs-Szatmár-Bereg County HQ	603 staff
Pest Fejér arid Nógrád County HQ	486 staff
Central Airport Headquarters of the Customs and Finance Guard	159 staff
Patrol Headquarters of the Customs and Finance Guard	153 staff
Administrative and Information Technology Dept. of the Customs and Finance Guard	65 staff
Finance Agency of the Customs and Finance Guard	28 staff
Customs and Finance Guard School	32 staff
Social, Cultural and Sports Center of the Customs and Finance Guard	60 staff
Therapy Center of the Customs and Finance Guard	1 staff
Health Care Center of the Customs and Finance Guard	15 staff
Total	5,330 staff

National and Ethnic Minorities in Hungary

Several national communities have lived in the territory of Hungary since the foundation of the state. The modern ethnic and linguistic composition of the country was basically established following the decimation and the movement of the population during the Ottoman occupation, with the spontaneous mass migration or organized resettlement of people in the 17th and 18th centuries. With the exception of the Slovene population on the western border, it was during these centuries that the minorities living in Hungary moved into what is now the country's territory. Towards the late 19th century, non-Hungarian nationalities living within the borders of the country constituted more than 50% of the total population. Following the revision of the borders after World War I, this proportion changed significantly. Some 33% of Hungarians living in the Carpathian Basin (3.3 million people) actually reside outside the country's borders, while the number of minorities living within has declined. Today, the minorities make up some 10% of the population.

A common feature of the majority of Hungary's national and ethnic minorities is that, having lived within the settings of the Hungarian state for centuries, they profess a dual identity: their consciousness of being Hungarian is as strong as their national ties. Most had left their original homeland and communities before the formation of a structured literary language, so the languages and dialects they use to this day are general archaic linguistic variations.

This lengthy historical coexistence is an important criterion in the definition formulated in the Minorities Act. "All groups of people who have lived in the territory of the Republic of Hungary for at least one century, who represent a numerical minority in the country's population, whose members are Hungarian citizens, who are distinguished from the rest of the population by their own language, culture, and tradition, who demonstrate a sense of belonging together that is aimed at preserving all of these and at expressing and protecting the interests of their historical communities" (Act LXXVII of 1993 on the Rights of National and Ethnic Minorities, Chapter 1, Section 1, Subsection (2)) are national and ethnic minorities recognized as constituent components of the state. This act defines the Bulgarian, Romany, Greek, Croatian, Polish, German, Armenian, Romanian, Ruthenian, Serb, Slovak, Slovene, and Ukrainian ethnic groups as national or ethnic minorities native to Hungary. A characteristic feature of the situation in Hungary is that the

minorities live geographically scattered throughout the country in some 1,500 settlements, and generally they also make up a minority within these settlements.

Demographic Features of the National and Ethnic Minorities

Act LXXVII of 1993 on the Rights of National and Ethnic Minorities states:

“It is the individual’s exclusive and inalienable right to take on and declare their affiliation to a national or ethnic group or minority. Nobody is obliged to proclaim that they belong to a minority group.”

According to the 1990 census, a total of 232,751 persons in a population of 10,374,823 indicated minority affiliation, and 137,724 stated that their native language was one of the national or ethnic minority languages.

Estimates from researchers and minority organizations indicate that the actual number of national and ethnic minorities is greater: individual groups are reckoned to comprise from a few thousand persons up to nearly half a million.

The difference between the estimated and declared figures can be explained on the one hand by historical, social and psychological reasons related to minority issues in Central-Eastern Europe. On the other hand, the figures reflect the minorities’ emotional and cultural duality dilemma: many feel themselves to be equally Hungarian and a minority, but the opportunity to record and state this was not available in the 1990 census.

To a certain extent it is possible to track minority affiliation on the basis of three questions posed in the 1990 census: nationality, native language and spoken language. Answers given by the minorities to these three criteria allow us to draw some conclusions as to ethnic affiliation. Admission of nationality affiliation does not directly presume an acquaintance with the native language. The language acquired during childhood and the language generally spoken in the family is meant by native language, but at the same time a part of the population speaking a minority native language profess themselves to be of Hungarian nationality. Besides these two criteria, additional information can be extracted by taking into account which other languages besides the native language are spoken if the minority language is not a commonly taught or internationally used language.

However, these latter data will refer not only to minorities who do not ‘declare’ themselves, but it can also include those people of Hungarian nationality who were resettled in, or who fled to, Hungary, and who also speak the language of the state in which they used to live.

Minority Policy in Hungary

The acceptance and practical implementation of regulations designed to protect the minorities and improve their situation, and the policies of successive, democratically elected Hungarian governments since 1990 prove that Hungary pays particular attention to the assertion of national and ethnic minority rights, it values the cultural variety that dates back centuries in this country, and that it considers the minorities’ existence, the preservation of their language, tradition and culture as an important element of social life and culture. Over the last decade the consistent aim of domestic minority policy – based on a consensus – was to establish a minority-friendly environment for the national and ethnic minorities, where they could preserve and pass on their cultural identity, and live freely with rights guaranteed by the law.

Established in 1990, the Office for National and Ethnic Minorities is responsible for coordinating the implementation of the government’s objectives. The Office is an independent state administrative body with a national sphere of authority. It operates under the supervision of the Ministry of Justice. The Office continuously assesses the situation of the national and ethnic minorities and the assertion of their rights. It prepares analyses and drafts minority policy concepts on which the government can base resolutions concerning the minorities. It is also charged with facilitating the exchange of views and information between the government and the minority organizations. The Office is involved in the drafting of government programs designed to implement

the Minorities Act, it provides necessary co-ordination related to any modifications to the act, it closely follows the implementation of minority tasks and duties falling within the jurisdiction of administrative bodies, and participates in their coordination.

Statutory Environment

The Constitution of the Republic of Hungary states that the minorities living in Hungary are constituent components of the state. The Constitution guarantees the minorities the right to collective participation in public affairs, the nurturing of their own culture, the widespread use of their native language, education in their native language, and the right to use their names in their own language. Subsection (2) of Section 32/B of the Constitution and Act LIX of 1993 provide for the institution of a parliamentary commissioner to protect the rights of national and ethnic minorities. The minorities ombudsman is responsible for investigating or enforcing the investigation of any kind national or ethnic minority rights abuse that comes to its attention and initiating general and individual measures in order to remedy it.

In 1993 Parliament passed Act LXXVII on the Rights of National and Ethnic Minorities, which establishes individual and collective minority rights in the areas of self-government, the use of language, public education, and culture. Among the collective rights, the act states that the minorities have the right to form local and national self-governments.

Minority points of view are increasingly taken into consideration in the wording of legislation passed in the Republic of Hungary over the last few years, and contemporary acts have been created, which are fully in line with today's requirements regarding the guarantee of minorities' basic constitutional rights. Thus, for example, the Act on Radio and Television Broadcasting states that the public service media have a compulsory responsibility to prepare programs presenting the culture and life of the minorities and to broadcast them in the native languages. An amendment (1996) to the Act on the Criminal Code established the prosecution of the criminal forms of racial discrimination.

While Members of Parliament belonging to the different minorities sit on the benches of some of the parliamentary parties, the question of guaranteed preferential representation for the minorities in Parliament has remained unresolved for some time; it is a matter which regularly appears on the agendas of the Parliament and the Government.

Hungary was admitted as a member of the Council of Europe on 6 November 1990; this date also marks the moment Hungary signed the Convention for the Protection of Human Rights and Fundamental Freedoms. It was ratified on 5 November 1992. In 1995, Hungary ratified two key documents of the Council of Europe regarding minority protection: the Framework Convention on the Protection of National Minorities and the European Charter for Regional or Minority Languages. Laws in Hungary concerning the minorities are in accordance with the two international conventions above, and indeed in certain areas they actually provide broader rights to the minorities resident in the country. Hungary has undertaken to implement the optional regulations contained in Chapter III of the European Charter for Regional or Minority Languages in respect of the Croatian, Slovakian, German, Serb, Romanian, and Slovene languages. The Hungarian Government presented a national report on the implementation of the two international conventions to the Secretary General of the Council of Europe.

Minority Self-governments

Prior to 1993 the public role of the minorities was played out in the frame of various civil organizations. The Act on the Rights of National and Ethnic Minorities, however, declares that minorities have the right to establish their own local and national self-governments.

The minority self-governments are elected bodies which represent the interests of the given national or ethnic minority at settlement or national level. Unlike organizations operating in an associative form, local minority self-governments represent not only their membership but also the entire

minority community of a settlement. With the establishment of the minority self-government system, the minorities living in Hungary received a right whereby they could legitimately integrate into the system of local governance so that the rights of the national and ethnic minorities living in the given settlement are also implemented in the course of conducting public affairs of local interest. The minority self-governments were established with the aim of guaranteeing cultural autonomy. As such the minority self-governments have rights guaranteed by the law, allowing them to make decisions within their respective scope of authority on the foundation, adoption, and maintenance of institutions, particularly in the areas of local education, the local printed and electronic media, and the nurturing of traditions and culture.

Voting for minority self-governments takes place at the same time as municipal elections. During elections every franchised person in the given settlement may take part and cast a vote for candidates of the given minority. The success and strengthening of the minority self-government system is demonstrated by figures showing that whereas during minority self-government elections held in 1994 and 1995, 822 minority self-governments were formed, following the 1998 elections 1,367 local and nine metropolitan minority self-governments were formed across the country. The largest growth was evident in the number of Romany minority self-governments, although the number of German, Slovak and Croatian minority self-governments also increased markedly. As a result of the elections, the Bulgarian national minority formed 15 self-governments, the Romany communities elected 768, Greeks 19, Croats 75, Poles 33, Germans 272, Armenians 25, Romanians 33, Ruthenians 10, Serbs 35, Slovaks 76, Slovenes 10, and the Ukrainians 5 self-governments.

Of the various forms of minority self-government, the type that is at the same time a settlement (municipal) government and a minority self-government is worth paying close attention to. Minority settlement self-government status confers the same rights as regional autonomy, opening the way to providing the most efficient means for the realization of minority interests. In contrast with the 46 minority settlement self-governments set up in the former term, 63 such bodies were established from the 1,367 local minority self-governments following the October 1998 elections. The German and Croatian minorities availed themselves of this opportunity to the greatest extent.

Minority self-governments can determine their protected monuments and memorial sites, the dates of local and national holidays, and they have the right to establish and run cultural and educational institutions, schools, museums, and theaters. They are entitled to determine their own organizational and operational regulations independently. Local minority self-governments have a right to veto proposals if the municipal government is working on regulations concerning cultural, educational or language matters related to the given minority. They also hold a veto in the question of the appointment of directors of minority institutions.

The national minority self-governments represent the given minority at national level. The formation of national self-governments occurs on the basis of electoral assemblies following the formation of local minority self-governments. As such, all 13 minorities in Hungary established their own national self-governments in 1999. As partners in legislation and state administration, the national minority self-governments air their views on planned legal regulations concerning the minorities represented by them. The law grants them the right to professionally monitor minority education, as well as participate in the formation of the principal curriculum used in minority education.

The last five years have clearly justified the existence of the minority self-government system. The system is an efficient form of interest representation allowing broad minority participation in matters that concern them both at the local and national level. Preparations for the amendment of the Minorities Act are currently in progress. This work is directed towards ensuring that legal frameworks provide even more assistance to the operation of the self-government system as well as guaranteeing the required working conditions.

Minority Education

In the majority of families belonging to the minorities the process of passing on the language has broken down, and the Hungarian language has become dominant. The different dialects spoken by the minorities do not lend themselves to regular refreshment, and thus their role in social communication is waning. This makes the role of the school as a vehicle for passing on the native language all the more important. The responsibility of educational institutes is even greater.

Minority education - as a part of the Hungarian public education system - must provide all the services that are generally provided by public education as a whole. Moreover, the task is not simply to offer these services in the native language, but it is also necessary to create the conditions for studying the native language and passing on the understanding of the culture and history of the people.

There are three kinds of minority schools. There are schools which teach the minority language as a foreign language, there are dual-language schools where the humanities such as history, literature, and geography are taught in the native language and natural science subjects are taught in Hungarian, and there are schools where all subjects except the Hungarian language and literature are taught in the language of the given minority. Unfortunately, the number of the latter is low because of a lack of suitable teachers, the children's inadequate grasp of their native language, and other reasons.

In the 1997-98 school year 20,440 children attended the 394 minority pre-schools, while there were 53,021 pupils registered in the 390 minority primary schools. A total of 2,096 students attended the 24 minority secondary schools or special secondary school classes. Between 1992 and 1998, regardless of a decline in the overall number of children attending pre-school and primary school throughout the country, the number of minority children actually increased, primarily as a result of the increasing interest in German nationality education.

Higher education is also conducted in nationality languages, primarily for trainee teachers. In addition to domestic training and further training courses, youngsters belonging to national minorities also have the opportunity to participate in applied or post-graduate studies in the mother country on scholarships.

So-called Sunday schools are a special form of minority education which functions outside the educational system. In general the organizers and operators of this form of education - typically available for smaller minorities - are the national self-governments, financed by the Ministry of Education.

Minorities arranging "Sunday schools" make every effort to ensure that the curriculum is the same in all of their schools, that preparations are made for detailing the requirements for subjects taught in the schools (minority language and literature, minority awareness), and using one of the schools of the given settlement as a base school to be integrated into the public education system.

The educational data of the national minorities is not different from that of the majority population. Within the German and Serb minorities the number of graduates from higher education is above the national average.

As regards education, there are special problems associated with the Romany minority. Currently slightly more than 70% of Romany children complete primary school, but only one-third continue studies into the intermediate (secondary) level. This is far lower than the more than 90% proportion of children of non-Romany descent who continue studies at an intermediate level. The situation is made even worse by the fact that a large proportion of young Romany are qualified in subjects that provide them with only limited employment opportunities. Less than one percent of the Romany hold higher educational degrees. Preparatory classes to improve the chances of young people and studies starting at 0 level are held in several higher education institutions with the support of the Ministry of Education. This Ministry and public foundations assisting the national and ethnic minorities offer scholarships to assist the studies of the young Romany.

Special programs for the academic improvement of the Romany are designed to create opportunities and nurture talent among children and pupils belonging to the Romany minority.

This form of instruction and education covers student hostels as well.

The success of pre-school and school education in establishing equal opportunities for the Romany community is to a major extent dependent on the professional quality of teacher training and further training. With support from the Ministry of Education, several institutions of higher education have introduced - within the framework of departmental, special college, or independent programs - Romany studies (Romology) in order to improve the understanding and awareness of the students.

Cultural Life

The last few years have seen much progress in minority self-organization and the development of self-awareness. The numerous minority civil organizations, associations, clubs, and ensembles are proof of the high degree to which the right of association and assembly is asserted.

Cultural educational institutions in communities that also have a minority population are obliged to ensure that the cultural demands of these minorities are met. Besides this, the independent minority public education institutional system has strengthened greatly over the last decade. The national or regional network of minority museums and libraries, the three nationality theatres (German, Croatian, and Serb), the numerous cultural associations, community houses, clubs, and art societies all help preserve the cultural traditions of the minorities. Cultural-educational institutions have been established specifically for the minorities, e.g., the Bulgarian Cultural Institute and Library, Romany and German community houses, the National Romany Information and Cultural Center, the Ukrainian Cultural Center, the Armenian Cultural Center and the House of the Slovak Culture. From the early 1990s minorities began to establish minority research institutes to study their own traditions, history, and their present-day situation. The organizational framework of these research institutes is very varied: some operate on the basis of civil initiatives, while others have contacts with a national self-government or some universities.

The Hungarian state supports minority access to the means of mass communication. Hungarian Radio began transmitting programs for 13 minorities in 1998, and the public service Hungarian Television currently prepares programs for 12 minorities. Preparations for the launch of a program for the Ukrainian minority are in progress. The native-language television programs for the minorities are complemented by fortnightly Hungarian-language magazine programs about the minorities, which also serve to inform the wider general public. The national self-governments of the national and ethnic minorities independently decide on the principles for the use of the available airtime at their disposal for public service broadcasting.

At least one nationwide newspaper per minority receives full government support for publication purposes. In 1998 this translated into financial support being provided to 17 nationwide newspapers for the 13 minorities. Besides minority national papers, other press bodies supply news about the minorities, through minority supplements carried by the national press and native language supplements in local newspapers, for example. In the early 1990s several minority research journals were launched, and research projects and high-level conferences held by university, higher educational, and museum research groups, the Hungarian Academy of Sciences Minority Research Workshop, and the László Teleki Foundation's Central European Institute also drew attention to the question of the minorities. Several publications such as the Handbook of Minority Self-governments, published by the Parliamentary Commissioner for the Rights of National and Ethnic Minorities, or the book entitled Minorities in Hungary 1999 and published under the auspices of the Office for National and Ethnic Minorities, provide general information for the national and ethnic minorities.

Measures Promoting the Social Integration of the Romany Minority

From an economic viewpoint one can consider the integration of the minorities living in Hungary as complete, with the exception of the Romany minority. They were hardest hit by the recession of the

1980s and the transition to a market economy. Currently the unemployment rate among Romany is four to five times higher than the national average. There are villages where 90 to 100% of the Romany population is unemployed. Long-term and youth unemployment are also far more common in the Romany community. The problem is only compounded by the fact that large numbers of Romany live in those parts of the country where as a result of industrial structural transformation following the change of regime job opportunities in heavy industry have been severely restricted. The Romany are also frequently discriminated in employment and everyday life. Factors adversely impacting on the state of health are multiplied among the Romany. Thus, the life expectancy of the Romany population is 10 years less than that of the non-Romany. In 1993, 14% of the Romany population lived in isolated run-down neighborhoods without running water, electricity or other conveniences.

The Romany policy conducted by the Hungarian Government is characterized by continuity based on the results of previous years. After taking office in 1998, the new government immediately launched an analysis of the implementation and efficiency of the medium-term package of measures passed by the previous government in 1997. As a result, a new package of measures was drafted and promulgated (Government Decree 1047/1999 (V.5.) on the medium-term measures to improve the living standards and social position of the Romany population. The specific implementation of medium-term measures takes place through the drafting of annual governmental action plans which have to be in harmony with the long-term strategy to be finalized by September 2000.

The comprehensive package specifies tasks in the fields of education, culture, employment, agriculture, regional development, social affairs, health, housing, anti-discrimination, and communication related to the Romany. The government decree defines the ministries responsible for the implementation of the tasks and the deadlines by which tasks must be implemented.

On the one hand, the aim of the measures is to reduce the social inequality of opportunities, and to prevent and reduce prejudice and discrimination. On the other hand, they aim to strengthen the identity and culture of Romany communities. The Government considers that the social integration of the Romany is a question of both minority policy and social policy.

The Inter-Departmental Committee on Romany Affairs co-ordinates the implementation of the program. Its chairman is the Minister of Justice, its vice-chairman is the Chairman of the Office for National and Ethnic Minorities, and its members are the deputy state secretaries of the ministries concerned, as well as the Chairman of the National Romany Self-government. The parliamentary commissioner for minority rights also takes part in the work as a permanent guest.

Hungary's Romany policy stands at the forefront of world attention. The 1997 annual report of the European Commission Against Racism and Intolerance states that Hungary is aware of the problems of the Romany community, and is taking serious measures in several areas such as housing, education, employment, etc. in order to remedy the situation, as well as to examine and reduce the forms of racial discrimination against the Romany community.

Chapters dealing with minority rights and minority protection in European Union documentation published in relation to Hungary's accession to the EU recognize the achievements the country has made, but also mention that the Romany in Hungary frequently have to battle against considerable difficulties, and their situation is afflicted by numerous problems.

According to the assessment of the European Union, Hungary meets the political criteria for EU accession set down in Copenhagen, but it must continue to make strenuous efforts to improve the position of the Romany community.

System of Financial Support

The government provides financial support for the self-organization and activities of the minorities through a multi-channel system, which splits operational and program costs, and the respective support available to the minority self-governments and civil organizations.

Financial means from the central budget allocated for the national self-governments and public

foundations appear in the budget of the Ministry of Justice, and support for the local minority self-governments is included in the budget of the Ministry of the Interior.

Subsidies available to minority civil organizations are disbursed at the recommendation of Parliament's Committee for Human Rights, Minority and Religious Affairs.

Support allocated to the minority self-governments has increased. The national self-governments received HUF 306 million in 1997, HUF 398 million in 1998 and HUF 496.3 million in 1999. Local minority self-government support reached HUF 300 million in 1997 and HUF 350 million in 1998. In 1999 the 1,376 local minority self-governments received state budgetary subsidies amounting to HUF 730 million.

The issue of providing headquarters for the national self-governments is nearing completion. The eleven national self-governments established in 1995 have appropriate headquarters with the required basic operating conditions. Securing headquarters for the Ukrainian and Ruthenian self-governments (formed in 1999) is on the agenda.

The single largest amount of specified minority-targeted budgetary support goes to supporting education for the minorities. The prevailing budget provides supplementary state contributions within the framework of normative financing for the municipal governments that maintain institutions conducting minority instruction and education programs. The Budget Act for 1999 provided a total of HUF 4,941,000,000 for minority pre-school instruction, school education, and student hostels, as well as bilingual education.

In spite of supplementary support going to minority education, however, local governments maintaining small independent minority schools may experience financial problems. A solution to this problem appeared in the 1999 Act on the State Budget which decreed, on the basis of separate title, further supplementary support to municipal governments maintaining independent minority schools with less than 130 students, or independent minority pre-schools with less than 60 children. The following public foundations are also important institutions of the budgetary minority financial support system: the Public Foundation for National and Ethnic Minorities in Hungary, the Public Foundation for Romany in Hungary, and the Gandhi Public Foundation.

The Public Foundation for National and Ethnic Minorities in Hungary supports programs, activities, and press bodies which protect the identity of the minorities in Hungary, and which serve to nurture, pass on, and preserve their traditions, languages, and material and spiritual culture. The Government provided HUF 474 million for this foundation in 1998 and HUF 520 million in 1999.

The Public Foundation for the Romany in Hungary received HUF 274.4 million in 1999. The organization is primarily engaged in supporting the development of small enterprises and employment and health care programs assisting families and small communities. Grants extended to the Gandhi Public Foundation which runs secondary boarding schools, primarily for talented young Romany, amounted to HUF 210 million in 1999.

With the establishment of the public foundations, the government has not only involved representatives of minorities in the decision-making process, but has created the opportunity to realize task-financing, which takes into consideration the different situations and requirements of the minority communities.

Contacts with the Parent Countries

The Government of the Republic of Hungary welcomes the contributions of the parent countries and language nations to the strengthening of the language and the cultural identity of the minorities living in the country. The Government endeavors to ensure that the minorities serve as a bridge between Hungary and the parent nations.

Efforts to establish good neighborly, amicable relations and co-operation are reflected in the fact that besides being signatory to multilateral international conventions, the Republic of Hungary has signed bilateral agreements and conventions with the parent countries of many of the minorities (Slovakia, Romania, the Ukraine, Slovenia, Federal Republic of Germany, and Croatia). In line with

these conventions, intergovernmental minority joint commissions have been established to discuss topical minority questions, to assess the realization of obligations deriving from the convention, and to accordingly draft suggestions for their respective governments. The most recently established commission was set up with the representatives of Slovakia and Hungary in January 1999. The representatives of the minorities concerned also participate in the work of all the joint commissions. The Republic of Hungary undertook obligations in the Framework Convention on the Protection of National Minorities not to obstruct persons belonging to the national minorities in practicing the right to establish cross-border relations freely and in peace, and to maintain contacts with persons with a shared ethnic, cultural, language and religious identity, or with a common cultural heritage. The Minorities Act states that persons belonging to the minorities have the right to maintain relations with both the state and community institutions of their parent country and language nation, and with minorities living in other countries. Local minority self-governments have the right to maintain relations with any foreign or mother country minority organization and association, as well as the right to conclude cooperation agreements. The minority organizations conduct cultural activities, for which they can establish institutions – within the legal framework – that are entitled to maintain international relations.

According to a national survey conducted by the Hungarian Academy of Sciences in 1998, one of the most important areas of the activities of the national minority self-governments has been the establishment and development of relations with the parent countries. In recent years, relations between the minorities and their respective parent countries have started to blossom. These contacts are evidenced in a variety of forms from the operation of a jointly maintained school, through youth exchanges, educational and cultural co-operation and support, to ‘twin’ contacts between communities and entrepreneurial initiatives linking the two countries.

The Hungarian Government considers the conscious nurturing of the culture of the minorities not only as a duty deriving from the international commitments it has undertaken, but also as a long-term national interest. It supports the strengthening of the identity of minority groups, the development of the minority self-government system, and the implementation of the cultural autonomy of minorities. The cultural diversity of the country that goes back centuries is a common asset of all its citizens.

The table below shows the number of national and ethnic minorities based on data from the 1990 population census, research and other surveys.

Minority	Minority identity	Native language	Spoken language other than native language	Estimated population
Romany	142 683	48 072	22 933	400 000-600 000
German	30 824	37 511	416 182	200 000-220 000
Slovak	10 459	12 745	56 107	100 000-110 000
Croatian	13 570	17 577	18 297	80 000-90 000
Romanian	10 740	8 730	40 625	25 000
Serb	2 905	2 953	13 646	5 000
Slovene, Wend	1 930	2 627	1 566	5 000
Armenian	-	37	48	3 500-10 000
Greek	-	1 640	1 260	4 000-4 500
Bulgarian	-	1 370	1 665	5 000
Polish	-	3 788	5 948	10 000

Ukrainian, Ruthenian*	-	674	1 192	-
Ruthenian	-	-	-	6 000
Ukrainian	-	-	-	2 000
Other**	19 640	-	-	-
Total	232 751	137 724	579 469	-

* The two languages were worded as a common question in the census.

** Number of persons in the census declaring a minority affiliation not listed in the questionnaire.

Hungarians in Various Regions of the World (around 1990)

Country, region	Total	Carpathian Basin
1. Hungary	10 222 000	10 222 000
2. Slovakia	608 000	608 000
3. Ukraine	180 000	168 000
4. Romania	1 640 000	1 620 000
5. Yugoslavia	350 000	345 000
6. Croatia	20 000	19 000
8. Slovenia	9 000	8 000
8. Austria	33 000	7 000
2-8. Total	2 840 000	2 775 000
9. Czech Republic	20 000	
10. Germany	120 000	
11. Netherlands	5 000	
12. Belgium	10 000	
13. United Kingdom	25 000	
14. France	50 000	
15. Switzerland	20 000	
16. Italy	5 000	
17. Sweden	25 000	
18. Russia	20 000	
19. Other European countries	17 000	
2-19. Total	3 157 000	2 775 000
20. Europe total	13 379 000	12 997 000
21. USA	450 000	
22. Canada	73 000	
23. Latin American countries	100 000	
24. South Africa	10 000	

25. Other African countries	10 000	
26. Israel	27 000	
27. Other Asian countries	30 000	
28. Australia	36 000	
29. New Zealand and Oceania	5 000	
21-29 total	741 000	
30. World total	14 120 000	

Sources: 1-8. Census data (native tongue). 22. 26. 28. Britannica. Book of the year 1992 9-21. 23-25. 27. 19. Estimations of K. Kocsis and of the organizations of the Hungarian minorities (Databank of the World Federation of Hungarians, Budapest).

Change in the Number and Percentage of Hungarian Minorities in Various Regions of the Carpathian Basin (1880-1991)

Year	Slovakia		Transcarpathia (Ukraine)		Transylvania (Rumania)		Vojvodina (Yugoslavia)	
	number	percent.	number	percent.	number	percent.	number	percent.
1880	574,862	23.1 M	105,343	25.7 M	1,045,098	26.1 M	265,287	22.6 M
1910	881,326	30.2 M	185,433	30.6 M	1,658,045	31.7 M	425,672	28.1 M
1930	585,434	17.6 N	116,584	15.9 N	1,480,712	25.8 M	376,176	23.2 M
1941	761,434	21.5 M	233,840	27.3 M	1,711,851	28.9 M	456,770	28.5 M
1950	354,532	10.3 N	139,700	17.3 N	1,481,180	25.8 N	51,399	1.4 N
1961	518,782	12.4 N	146,247	15.9 N	1,616,199	25.9 M	442,560	23.9 N
1970	552,006	12.2 N	151,122	14.5 N	1,625,702	24.2 M	423,866	21.7 N
1980	559,801	11.2 N	158,446	13.7 N	1,691,048	22.5 N	385,356	18.9 N
1991	567,296	10.8 N	155,711	12.5 N	1,604,266	20.8 N	339,491	16.9 N

Sources: Census data (Slovakia: 1880, 1910, 1930, 1941, 1950, 1961, 1970, 1980, 1991; Transcarpathia: 1880, 1910, 1930, 1941, 1959, 1969, 1979, 1989; Transylvania: 1880, 1910, 1930, 1941, 1948, 1956, 1966, 1977, 1992; Vojvodina, Croatia, Transmura Region: 1880, 1910, 1931, 1941, 1948, 1961, 1971, 1981, 1991; Burgenland: 1880, 1910, 1934, 1951, 1961, 1971, 1981, 1991).

Remark: Hungarians include the Székelys (Secui) and Csángós (Ceangăi).

Abbreviations: M- mother (native) tongue, N- ethnicity, E- ethnic origin, U- every-day language ("Umgangssprache")

Defence

SECURITY AND DEFENCE POLICY

The first two years of the third government cycle since the change of the political system were characterized by radical changes. Accession to NATO in 1999 fundamentally changed Hungary's strategic position, while certain shortfalls of the defence sector also came to light. The failure to fully implement obligations stemming from NATO membership not only endangered the credibility of Hungarian foreign policy but indirectly the process of integration into the European Union as well. This is why a strategic review was ordered with some urgency in the summer of 1999, in which there

already was a possibility of taking into account experience gained as a new member of NATO in the Kosovo-campaign, as well as the new security and defence policy principles approved by the Parliament in December 1998.

Hungary in NATO

Following the dissolution of the Warsaw Pact in 1991, the Hungarian political elite was virtually on a consensus that the country's regained independence and security would best be provided for in NATO, which has the majority of Western democracies among its members. This consensus was further strengthened with the emergence of new external threats affecting Hungary, the appearance of new neighboring states and a new wave of ethnic tension, not to mention the repeated bloodshed in former Yugoslavia. Although the positions of the country in respect of conventional weapons, did improve with the implementation of the 1990 CFE Treaty and the disintegration of the three neighboring federal states – further enhanced from the south by the results of the 1996 Florence agreement on “sub-regional arms control” – it still seemed that membership in NATO would be the lasting solution.

It was in April 1996 that the Hungarian government handed over a document outlining its ideas on accession and two years of experiences in Partnership for Peace cooperation, articulating – in line with the requirements mentioned in the 1995 Enlargement Study of NATO – that Hungary intended to join the first round of enlargement, and that it envisaged full membership with rights and obligations from the moment of accession.

As it was included in the program of the Horn-cabinet, there was a referendum held on 16 November 1997 after the invitation was extended at the 1997 NATO Summit in Madrid. The referendum was preceded by fierce domestic debate, although it did contain certain other elements. The referendum was finally declared valid and successful: there was a 49.2% turnout and 85% of those voted for NATO membership, with 15% rejecting it. It was with this mandate that the Hungarian government forwarded its statement of intent to Brussels with the Accession Protocol finally signed on 16 December 1997. During the course of 1998 – along with the Czech Republic and Poland – there were several rounds of negotiations conducted to clear tangible accession-related issues followed by the ratification procedures in the member states. Formal accession occurred on 12 March 1999. Originally the plans were to adopt the three new member states on the 50th Anniversary of NATO, however the Kosovo-crisis foiled the plans. Only one week into their membership, the three new countries had to participate in a large scale military operation launched by NATO in Kosovo.

NATO membership brought about radical changes in the strategic situation of the country. With its decision to grant membership, the international community acknowledged the sociopolitical transformation that had been underway since the beginning of the decade (the building of democracy, the development of the market economy, civilian control over the military) and also the foreign policy achievements of Hungary during the 1990s. It has to be mentioned here that between 1992 and 1994 Hungary was a member of the UN Security Council, in 1995 it assumed the position of the Chairman-in-Office of the OSCE, in 1996 the country became a member of OECD, from the end of 1998 assumed the chair of the Council of Europe and the very same year it started accession talks with the European Union. Hungary participates in all important international non-proliferation efforts and since October 1999 it has been the chairman in office of the MTCR.

The ability of asserting national interests has also increased along with the level of integration, thus turning Hungary into a regional exporter of security. Membership brought guarantees of security that the country could not have achieved otherwise. In foreign policy terms the country had more room to move, which also carried an increased international responsibility. The relationship between Hungary and its neighbors became one of mutual dependence, in which – save for the relations with Austria – the role of initiative, lies in the hands of Hungarian foreign policy.

The experiences of NATO membership are not all that numerous with only two years having

elapsed. What can be said is that the coordination of government work has improved thanks to membership, and several changes and amendments have been made to legislation pertinent to membership. We can basically say that integration into NATO structures, the delegation of Hungarians to Allied posts offered has been successful. Requirements stemming from membership have basically forced the drafting and the implementation of a modernization reform in the armed forces.

The Balkans Crisis and Kosovo

Since the day the crisis erupted, Hungarian policy took a cautious approach, a conduct by and large similar to that of the Western powers. It sought to avoid conflict and within its means, support the efforts of the international organizations aimed at settlement and preventing an escalation of the conflict. Its direct reactions were more political and only very rarely military in nature.

The Hungarian attitude was rooted in a number of factors. First of all the realization that the country will continue to be neighbor of the parties at war, that is Slovenia, Croatia, and Serbia. It was thus in its fundamental interest to keep equal distance in the long term, which however failed to conceal the fact that Hungarian public opinion was more favorable towards Slovenia and Croatia than towards Serbia. Secondly, behind steps directed against Serbia, there lay the knowledge of minority asymmetry, the direct threat of Hungarians in Vojvodina and the desire to keep them from becoming hostage minorities in an escalating conflict. Thirdly, the differences in military capabilities also had to be taken into account, which was unfavorable for Hungary especially during the period following the withdrawal of Soviet troops. In the military campaign of NATO in Kosovo, the three new member states had to note that newly gained membership does not mean instant operational interoperability with the Alliance and that even adherence to “minimum military requirements” makes cooperation awkward. Last but not least, both the reception of refugees and the economic consequences of the war in Yugoslavia put an unforeseen burden on the Hungarian economy and society.

Since 1996, Hungary has contributed to the settlement of the crisis in former Yugoslavia in four areas: 1) It allowed the transit of troops of nations participating in the mission. 2) It provided host nation support to the IFOR-organization temporarily based in Hungary. 3) It sent an engineer battalion to the mission in Bosnia. 4) It sent a battalion to the KFOR mission.

Participation in the resolution of the Bosnia crisis and the war in Kosovo proved to be very important for Hungary because it offered a chance to demonstrate in practice that it was able and willing to participate in settling the problems of a European crisis and that it felt a political responsibility for the peace of the continent. In technical and military terms the Hungarian Defence Forces were part of a live, NATO-led mission. This practical cooperation offered a wealth of experience for soldiers and politicians alike, even if the initial contribution was very limited. Because of special Hungarian interests NATO's leadership respected the request of Hungary, asking that should a ground invasion be considered, it should not be from Hungarian territory. The Hungarian government, however, adhered to the Allied concept for settlement when in April 1999, it turned back a Belorussian-Russian convoy carrying humanitarian aid on paper, which in fact consisting of equipment which could easily be converted into war material, and also rejected the request of air transit for six Russian IL-76 transport aircraft. This brought about a freeze in Russian-Hungarian ties overnight.

The Kosovo-crisis and the Hungarian participation with a guard and security battalion (from July 1999) again highlighted the fact that Hungarian defence capabilities and the budget were inadequate, especially when it came to international peacekeeping missions.

New Security and Defence Principles 1998

Debates on defence policy choices in the early 1990s and the rapidly changing international arena led to the formulation of the 1993 security and defence policy principles. The international changes

occurring in the latter half of the decade and the achievements in the field of Euro-Atlantic integration made it necessary to redefine the bounds within which Hungarian security and defence principles were interpreted. The document approved by the Parliament in December 1998, already looks at Hungary as an integral part of the Euro-Atlantic region, saying that in the post-bipolar international system, the security of the region is affected by global, regional, and local challenges. The diversity of these challenges explains the fact that Hungary interprets security in a comprehensive manner: besides military factors of decreasing extent, it encompasses economic, financial, human and minority rights, information and environmental aspects. Opposition stemming from differing social development, ethnic and religious tension, terrorism, organized crime, the illicit trade of drugs and weapons, migration and environmental problems also pose an increasing risk. The proliferation of weapons of mass destruction and their means of delivery, as well as the possibility of attacks on information systems constitute a growing challenge.

Hungarian security policy aims to realize its objectives according to international norms and the standards adopted by international institutions dealing with these issues by relying on the one hand on its national capacities and the strength of the Atlantic Alliance embodied in the principle of collective defence on the other hand. In the case of the former, it wishes to adopt a policy and an institutional system which allows it to identify factors threatening the security of the country and makes it capable of making and implementing decisions aimed at averting them.

Besides Euro-Atlantic integration, Hungarian foreign and security policy also places neighbor policy and the well-being of Hungarian communities living across the border at the center of its attention. Hungary is a stable point of the Central-eastern European region and plays an initiative role in enhancing the stability of the region, be it good-neighborly relations or the enhancement of regional cooperation. For purposes of balanced ties with neighboring countries, Hungary considers the strengthening of cooperation between the countries of the region in the fields of economy, culture, and human rights (including minority rights) to be important.

Hungary considers national defence as being a national issue based on the common responsibility of its citizens. Thus the system of national defence is built on the unity of rights and obligations stemming from NATO membership, an economy capable of fulfilling the material necessities of the armed forces and defence, a state organization prepared for defence, armed forces capable of carrying out their mission, a well functioning civilian defence, and the support of the population. It shall develop its armed forces in accordance with the principles of collective defence originating from membership, which shall have the task of protecting national sovereignty, contribution to NATO collective missions and participation in international peace support and humanitarian action.

The principles of December 1998 represented the orientation and the tasks defined by the political sphere. It is this document that should provide the basis for other documents of this nature. Unfortunately the national military strategy, which is indispensable for the functioning of the armed forces, is still not in place yet.

Strategic Review 1999

Many things have happened under the auspices of the reform of the armed forces, the trend until 1998 definitely was characterized by the downsizing of the armed forces, the rapid depletion of stocks, the deterioration of personnel composition and the disappearance of the – already too weak – defence industry. Although in 1995, the Parliament did try to provide some sort of guidance to the seemingly uncontrollable process, by stating that “the size of the armed forces has to be in line with the level of threat facing the country, available capacities and the intent of accession to NATO”. This however was only enough to develop a new structure of command, meaning that the Army and the Air Force Staff were set up beside the Defence Staff along with the Logistics Directorate. However changes in leadership were not followed by a transformation of the forces themselves. In 1997 and 1998, the Hungarian delegation negotiating about terms of accession promised that it

will increase the defence expenditures of the country by 0.1% annually until 2001, which by then would amount to 1.81% of the GDP. It was from this amount that the military hoped to finance tasks stemming from membership in the Alliance (interoperability). NATO was not really interested in this figure, but much more in the extent of military tasks that can be financed with this money. In accordance with the accepted procedures within the Alliance, a "Defence Planning Questionnaire" has to be completed every year about the steps of military planning and the allocated finances. The first doubts about the promises of the Hungarian party were raised during 1998 and problems became only too evident when in the spring of 1999 the Hungarian delegation asked for the postponement of the implementation of certain military programs. The embarrassing affair hastened the review of defence issues within the government and after certain changes made in the leadership, the government passed a resolution ordering a "strategic review" in July 1999. The resolution hoped for the establishment of a "smaller, capability-oriented, and better financed" armed force, that is "one capable of providing for national defence, fulfilling allied obligations and participating in international crisis management at a level acceptable according to the times." The repeated transformation of the armed forces will entail further downsizing (29%), a transformation of personnel composition (there are too many senior officers), an increase in the number of contract personnel (19%) and the disengagement from all activities which are not related to the basic mission of the armed forces. The defence portfolio was also liberated of its budgetary "revenue obligations": surplus real estate was transferred to state asset management organizations.

In 2000 – having "sacrificed" senior officials and high ranking officers – the integration of the defence staff into the Ministry of Defence will also be completed. This will conclude the establishment of the conditions of civilian oversight: the minister of defence will control the armed forces by way of the chief of the defence staff.

According to the concept of the strategic review, the downsizing will be followed by an improvement of the living conditions of soldiers (by 2002), then the establishment of a capability oriented force (by 2006) to be concluded finally by equipment modernization, encompassing the replacement of weapons available currently. Most doubts are not raised because of deadlines extending well beyond the government cycle, but much more because of the proportion of the budget intended for defence. It remains a question, if 1.6% of the GDP will be enough to finance all tasks, even if the current fast pace of economic growth prevails. The Hungarian party calculated the 0.2% allocated to the Border Guards into the 1.8% figure, which NATO does not wish to treat as part of the defence budget. The tasks mentioned in the concept which followed the strategic review – especially modernization left for the end – necessitate resources which are higher than what was envisaged until now.

Ferenc Gazdag

The Status of Hungary's Defence

The last decade "shook the world" and these events had their impact on the fate and geopolitical situation of Hungary. There have been changes in virtually all the areas of the international arena and we can confidently say that these changes were of revolutionary significance in terms of Euro-Atlantic security and defence as well as security and defence policy. Before elaborating on the main topic – past and current changes in the Hungarian defence policy sector – I would like to provide a brief outlook on the world because the developments in Hungary are perhaps best understood and assessed in light of these.

The most important event from the perspective of NATO was the approval of the new Strategic Concept at the NATO Summit in Washington (April 1999), which replaced that of 1991. The document reflects the adaptation of NATO to the new security environment and ends a decade-long debate on NATO's role and future. The new strategic concept reaffirms the strengthening of NATO's political dimension and a radical change in its views on security policy. The new approach places ever greater emphasis on common and general humanitarian values. The intervention in Kosovo is proof and a result of this.

We have also witnessed a transformation in the relationship between the United States and Europe. The shift we have seen is extremely positive, since the increased role of Europe in the field of common security and defence actually serves to strengthen transatlantic ties. NATO's strategic concept also mentions the importance of developing the European Security and Defence Identity (ESDI).

Meanwhile, processes postponed for long within the European Union (EU), which seemed frozen until now gained momentum never seen before. The change in the stance on European security and defence became the most evident in the joint British-French declaration issued after the St. Malo summit in December 1998, which emphasized that it would be purposeful if the European Union assumed a greater role than earlier. The declaration led to the decisions of the EU Council Summit in Cologne (3-4 June 1999) and especially the one held in Helsinki (10-11 December 1999) which transformed the content of the St. Malo declaration into practical terms. The Helsinki EU Council established the concept of the Common European Security and Defence Policy, CESDP and more specifically the concept of European crisis management capabilities. The pledge conference held on 20-21 November was the next step in the realization of the CESDP, when the member states offered their contributions to the crisis management forces of the European Union. The Nice Summit held in early December took the process even further. The most important topics on the agenda were the establishment and consolidation of the cooperation between the EU and NATO – which has been an outstanding issue for long – and the involvement of the non-EU NATO members – i.e., the “club of six” as they say – in European crisis management. It was this latter question which was of outstanding significance to Hungary. The framework necessary for the involvement of the six countries was established in Nice, and it will be up to the Swedish EU-presidency to fill it with content.

Changes occurring in the Hungarian security and defence policy, more specifically in the defence sector, fit into the above-mentioned process. These were rooted in the changed internal and external situation and also in a shift in values. Fellowship with the sets of values and interests of countries of the Euro-Atlantic region provides the foundation of our integration policy. In this regard our greatest achievement was our accession to NATO in 1999, which had more of a political than military significance.

The change in the sets of values – which was also important from the perspective of our EU integration efforts – especially in light of the heightened activities within the EU in the field of security and defence policy, was reflected by the fact that Hungarian security and defence policy was transformed radically, with the interpretation of security changing and becoming more comprehensive. As a result of this, in December 1998, the National Assembly rephrased its views on the basic principles of Hungarian security and defence policy. These principles provide the basis for further documents which are to be published, namely the one on national security and on national military strategy. These documents also constitute an integral part of our integration policy, by clearly reflecting our “change in values”, or as we called it in the transformation of the armed forces our “change in philosophy”.

Naturally, we also had to meet legal and practical – military – requirements during our preparations for NATO membership. During the course of this we established legal and institutional conditions, without which the functioning of the armed forces would be inconceivable in a modern civilian democracy. Being the most important criteria, we established the framework for international cooperation and the civilian oversight of the military. The armed forces integrated into the democratic structures of power and by today the constitutional, institutional and personal conditions of its civilian and democratic oversight are in place.

The reform of the armed forces is the next major step in the defence sector. This is indispensable because of our membership in NATO, and our further aspirations for integration, international commitments, but also the requirements of the age and the capacities of the country. There is a resolution of the National Assembly which defines the lines along which the long range transformation of the Hungarian Defence Forces (HDF) has to be implemented. The transformation

of the HDF is comprehensive in nature, encompassing its stance, organizational structure, command structure, principles of deployment, preparedness, mobilization, augmentation, preparation, and training, the replacement and modernization of its equipment, the system of planning and economy, the personnel structure, living and working conditions of soldiers, social and existential situation, social relations and the complete system of human resource management and development. We have set the objective of establishing a smaller, more flexibly deployable armed force with permanent financing and modern equipment. The ten-year program of transformation is broken into three stages. The first phase (2000-2003) has the main objective of transforming the organizational structures. During the second phase (2004-2006), the most important priority is the quality improvement of training, whereas during the third phase (2007-2010) the main emphasis – besides maintaining the transformation processes started earlier – will be on technical modernization. Since, apart from national defence, the mission of the armed force is of international nature, we have set the fundamental priority of establishing an armed force which is fully capable of performing these international tasks and of full co-operation with the Alliance.

Our international military undertakings go back a long time, thanks to our participation in peacekeeping. Currently we have 716 soldiers serving in peacekeeping missions, the majority of them in the ranks of SFOR and KFOR. The Hungarian engineer contingent directly subordinated to COMSFOR currently has a headcount of 207. Hungary is participating in the KFOR mission in Kosovo with a 323-person-strong guard and security battalion. The tasks of this unit are of utmost significance within the whole mission. This mission is a watershed, since this is the first time that the Hungarian Defence Forces are participating in such a mission with a combat-trained unit. Naturally Hungary also provides host nation support, to ensure the success of the above mentioned missions. We wish to take part in forming the common European security and defence policy, and European crisis management activities. Hungary has to this end, offered military units and capabilities for EU-led crisis prevention and management in the form of a mechanized infantry battalion, a SHORAD (short range air defence) platoon and a 107 person strong police contingent. This pledge of forces and capabilities is a further proof of our commitment.

I am on the opinion that it is clearly and unequivocally evident that there has been quite a progress in the field of the defence sector in respect of Euro-Atlantic integration during the recent past, which have led to such a historic result as our membership in NATO. The developments in Hungary fit well into the Euro-/trans-atlantic processes and are aimed at complete integration, and more efficient Hungarian and international undertakings.

Zoltán Martinusz
Deputy Secretary of State, Ministry of Defence

Estimated costs of NATO expansion between 1997-2009

Coats	Total		Unitbed Saes		Old m
US\$ mnlyr	US\$ bn	US\$ mnlyr	US\$ bn	US\$ mnlyr	US\$ bn
1. Total cost of expansion	2100-2700	27-35	150-200	(1.5-2)	
2. Casts of reforms for new members	800-1000	10-13			
		(10.4-13)	"will support it modestly"		t
3. Strengthening	600-800	8-10	"will not undertake		8-10
of NATO regional capabilities		(7.8-10.4)	a major. role"		600-800
4. Direct costs of expansion	700-900	9-12	150-200	(1.5-2)	

(brackets refer to actually calculated values)

Direct costs of NATO expansion

Coats	Total		Unitbed Saes		Old member	
US\$ mnlyr	US\$ bn	US\$ mnlyr	US\$ bn	US\$ mnlyr	US\$ bn	US\$ mnlyr
Direct costs of eXpansion	700-900	9-12				
- proportion of the share			15%	15%	50%	50%
- amount of the share			150-200	1.5-2	350-425	4.5-5.5
Actual amount taking into account the 24°/° support given to old members	(130-975)	(9-12)	(234-302)	(2.58-3.32)	(266-323)	(3.32-4.25)

*Between 2000-2009

(brackets refer to actually calculated values)

Costs for transformation of the armed forces for new members

Calculation; deducted from the total costs ; total USA costs, total old member costs; new member development costs

Coats	Total		Unload Staffs		Old member	
US\$ mnlyr	US\$ bn	US\$ mnlyr	US\$ bn	US\$ mnlyr	US\$ bn	US\$ mnlyr
Declared total cost	2100-2700	27-35	150-200	(1.5-2)		
Declared transformation	800-1000	10,13	"will support it modestly"			"a lot has to be paid by themselves"
costs for new members						
Reinforcement of NATO	600-800	8-10			600-800	8-10
regional capabilities		(7,8-10.4)				(7,8-10,4)
Declared direct costs of expansion	(700-900)	(9-12)	150-200	1,5-2	350-450	4,5-5,5
Total	2100-2700	27-35 ~	150-200	1.5-2	950-1250	12.5-15.5
	-1330-1800	-17-21.5				
Transformation costs for new members	rs 770-900	10-13.5				

Deduction: Of the total transformation costs the expression "a lot has to be paid by themselves" means the whole sum!

Costs of accession for new members

Calculated considering Polish, Czech and Hungarian accession

Coats	Total		Republic			
US\$ mnlyr	US\$ bn	US\$ mnlyr	US\$ bn	US\$ mnlyr	US\$ bn	US\$ mnlyr
Distribution of costs in case of						
60-20-20°/° shares	100%	100%	60%	60%	20%	20%
(In case of other versions):**	-55%	-22.5%	-22.5%	-66%	-16.5%	(17.5-22.5%)
Direct costs of expansion	230-350	3-4	138-210	1,8-2.4	46-70	0.6-1.0

Transformation costs for new members	770-900	10-13.5	462-540	6-8.1	154-180	2-2.6
Total cost of expansion	1000-1250	13-17.5	600-750	7,8-10,5	200-250	2.6-3.1
Accession costs for the Republic of Hungary						
	US\$		HUF		Budget far 1997,	Incr
Costs	US\$ mnlyr	US\$ bn	US\$ mnlyr	US\$ bn	in HUF bn	in %
Total costs of accession	200-250	2.6-3.5	36-45	468-630		37-4
Direct costs of accession	46-70	0,6-0.8	8,28-12,6	108-144	96,814	8,5-
Costs of transformation	154-180	2-2,7	27,72-32.4	360-486		283,

Important Figures on the Hungarian Defence Forces

The conscripts

Year	Persons	Note
1975	73,620	24-month conscript service
1976	46,500	24-month conscript service
1977	71,070	18-month conscript service
1978	50,940	18-month conscript service
1980	58,580	18-month conscript service
1981	82,630	18-month conscript service
1982	76,310	18-month conscript service
1983	75,830	18-month conscript service
1984	73,550	18-month conscript service
1985	76,260	18-month conscript service
1986	76,610	18-month conscript service
1987	75,890	18-month conscript service
1988	75,720	18-month conscript service
1989	69,840	18-month conscript service
1990	53,920	Start of transition
		to 12-month service
1991	68,250	End of transition
1992	62,890	12-month conscript service
1993	60,290	12-month conscript service
1994	55,350	12-month conscript service
1995	45,330	12-month conscript service
1996	38,410	12-month conscript service

1997	37,630	Transition to 9-month service
1998	29,000	9-month conscript service

From 21 July 1989

- 18-month armed conscript service
- 24-month unarmed conscript service
- 28-month civilian service

From 31 October 1990

- 12-month armed conscript service
- 15-month unarmed conscript service
- 22-month civilian service

From 1 January 1994

- 12-month armed conscript service
- 15-month unarmed conscript service
- 6-month service for those with 2 children
- 22-month civilian service

From 31 September 1997

- 9-month armed conscript service
- 9-month unarmed conscript service
- 3-month service for those with 2 children
- 15-month civilian service

Classification of draftees on the basis of decision by draft committee (1999 -1997)

	1991	1992	1993	1994
Drafted (persons)				44,700
Category "A" - suitable (%) 88	87.2	86.9	86.4	84.8
Category "B" - suitable with deficiencies, without physical constraints (%)	3.8	4.4	4.5	4.8
Category "C" - suitable with physical constraints (%)	6	6.2	6.3	6.4
Category "D" - suitable for civilian duties (%)	2.2	2.2	2.3	2.4

Classification of draftees on the basis of medical decision in % (1991-1997)

	1991	1992	1993	1994	1995	1996
Practically fit	90	90.9	91.5	90.9	89.7	92.1
Needs troop physician treatment	4.6	4.8	4.3	4.6	5.7	3.9
Needs specialist treatment	3.1	3.3	3.1	3.2	3.5	2.9
Needs hospital care	1	0.2	0.3	0.3	0.2	0.1
Needs to be re-examined by the draft committee	1.3	0.8	0.8	1.0	0.8	1.0

Basic clothing of the conscript soldier (1997)

Description	Unit	Piece	
Dress uniform			
Cap	pc	1	
Jacket	pc	1	
Trouser	pc	1	
Tie	pc	1	
Shirt	pc	1	
Gym shirt	pc	1	
Socks	pair	1	(1)
Shoes	pair	1	(1)
3/4-size coat	pc	1	
3/4-size coat lining	pc	1	
Gloves	pair	1	
Rain jacket	pc	1	
Sweat suit	set	1	
T shirt	pc	2	(1)
Shorts	pc	(1)	
Sport.socks	pair	2	(1)
Sport shoes	pair	1	(1)
Bag	pc	1	(1)
Winter socks	pair	2	(1)
Summer socks	pair	3	(1)
Plastic slippers	pair	1	(1)
Belt	pc	1	(4)
Aiguillettes	pc	1	(4)

The field kit of the conscript (1997)

Description	Unit	Piece
Summer cap	pc	1
Winter cap	pc	1
3/4-size field coat	pc	1
3/4-size field coat lining	pc	1
Gloves	pair	1
Field jacket	pc	2
Field trouser	pc	2
Green shirt	pc	2

Undershirt	pc	1
Shorts	pc	1
Summer socks	pair	2
Winter socks	pair	2
Winter shirt	pc	1
Winter underpants	pc	1
Pyjama top	pc	1
Pyjama trousers	pc	1
Boots	pair	1
Waist belt	pc	1
Belt	pc	1
Flatware with container	pc	1
Towels	pc	2
Boot-crimps	pair	1
Carrying bag	pc	1
Mess-tin	pc	1
Water bottle	pc	1
Rain coat	pc	1
Blue apron	pc	1

Officers' kit handed out after oath ceremony

Description	Unit	Piece
A/1 suit	pc	1
Wool coat	pc	1
4/4 raincoat	pc	1
3/4 fur coat	pc	1
86 M peaked service cap	pc	1
Officers winter cap	pc	1
Winter cap with artificial fur lining	pc	1
Summer field cap	pc	1
68 M coat	pc	1
62 M coat lining	pc	1
Field jacket	pc	1
Field trousers	pc	1
Officers shirt long sleeve	pc	2
Officers shirt short sleeve	pc	1

Leisure clothes	pc	1
Knitted winter gloves	pc	1
Trousers	pc	1
White shirt Is.	pc	1
Brown shirt Is.	pc	2
Officers field shirt	pc	2
62 M winter shirt	pc	1
82 M winter undergarment	pc	1
Officers undershirt	pc	3
Knitted underwear	pc	3
V-neck T shirt	pc	1
Shorts	pc	1
Field summer socks	pair	2
Field winter socks	pair	1
Nylon socks	pair	3
Necktie	pc	1
HM wool scarf	pc	1
Towel	pc	2
Officers raincoat	pc	1
Summer field gloves	pair	1
Winter field gloves	pair	1
Winter shoes	pair	1
Boots	pair	1
Sport shoes	pair	1
Waist belt	pc	1
Map holder	pc	1
Suspender	pc	1
Belt	pc	1
Flatware	pc	1
Flatware PVC	pc	1
Officers aiguillette	pair	1
Officers shoulder strap	pair	3
Officers field shoulder strap	pair	2
Cap pin gold	pc	2
Cap string gold	pc	1
Service sign gold	pair	1

Service sign brown	pair	2
University pins	pc	1
Sixpointed gold star, 20 mm	pc	14
Gold pin button	pc	4
93 M cap	pc	1
Social jacket, brown	pc	1
Social trousers, black	pc	1
Black shoes	pair	1
Summer gloves	pair	1
Black socks	pair	1
Black tie	pc	1
Service branch pin	pc	1
Service branch pin social	pc	2
Service branch pin gala	pc	2
Collar patch	pair	1
Collar patch for coat	pair	1
Sixpointed gold star,15 mm	pc	4
Gold service pin (new)	pair	2
Golden aiguillette	pc	2
Rank insignia for coat	pair	1
Pin button	pc	4
Sports socks	pair	1
Cuff button gold	pc	2
Field pullover	pc	1
Embroidered rank ins.	pair	1
Embroidered rank ins. social	pair	1

Change in price for a few typic items

	Boots	Field jacket	Field trousers
1990	2,400 Ftlpc	670 Ftlpc	650 Ftlpc
1991	3,100 Ftlpc	860 Ftlpc	840 Ft/~c
1992	4,200 Ftlpc	1,100 Ftlpc	1,100 Ft/pc
1993	4,500 Ftlpc	1,260 Ftlpc	1,260 Ftlpc
1994	4,650 Ftlpc	1,400 Ftlpc	1,450 Ftlpc
1995	5,100 Ftlpc	1,600 Ftlpc	1,700 Ftlpc
1996	6,600 Ftlpc	1,900 Ft/pc	2,000 Ftlpc

1997	7,800 Ft/pc	2,300 Ft/pc	2,400 Ft/pc
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The price of the conscript

1996* HUF 240 thousand for one year of training

1997* HUF 370 thousand

1998* HUF 500 thousand envisaged per soldier (service time 9 months)

*Without expenses of training

Requests for alternative service

Year	Form	Receipt of the draft		Day in	Until oath	Total
Prior	After					
1989	Civilian	253	no data	no data	307	560
Unarmed	65			12	77	
Total	318			319	637	
1990	Civilian	228	no data	no data	34	262
Unarmed	9			4	13	
Total	237			38	275	
1991	Civilian	356	no data	26	85	467
Unarmed	50		1	15	**	
Total	406		27	100	533	
1992	Civilian	397	no data	13	64	474
Unarmed	51		8	6	65	
Total	448		21	70	539	
1993	Civilian	565	no data	29	111	705
Unarmed	54		11	5	70	
Total	619		40	116	775	
1994	Civilian	1,072	no data	79	530	1,681
Unarmed	78		14	10	102	
Total	1,150		93	540	1783	
1995	Civilian	1,355	171	127	831	2,484
Unarmed	35		5	5	45	
Total	1,390	171	132	836	2,529	
1996	Civilian	2,151	510	151	864	3,676
Unarmed	23		3	9	35	
Total	2,174	510	154	873	3,711	
1997	Civilian	1,514	436	128	677	2,755
Unarmed	16		2	3	21	

Total	1,530	436	130	680	2,776	
Total:	Civilian	7,891	1,117	553	3,503	13,064
Unarmed	381		44	69	494	
Total	8,272	1,117	597	3,572	13,558	

1997 data reflect the situation as of June 30..

83%- of applications were accepted (87% of applications handed in prior to the draft and 71 % of those handed in after were accepted by the notaries).

In 1995, 2.5%, in 1996, 3.9 % and in 1997, 3.2 % left as a result of applications handed in prior to the oath.

The professional soldier

Stars and solders

1848-1949 6-pointed star

1949-1956 5-pointed star

1956-1957 6-pointed star

1957-1992 5-pointed star

1993 onwards the 6-pointed star again

Number of officers and NCOs swom in

Year	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	
Officer		418	402	440	468	486	382	434	428	460	378	567	
NCO	542	496	520	437	523	437	484	550	574	567	627	681	
Year	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997			
Officer	604	657	736	424	227	193	15	177	318	313			
NCO	408	592	489	277	164	139	340	299	394	365			

Number of personnel 1997

Organization	Existing (person)						
officer	NCOs	contr.	stud.	enlist.	civ.	total	
Organizations of the HDF	82,099	7,831	2,571	-	30,490	13,107	6
- as percentage of personnel	13.20%	12.59%	4.13%	-	49.01 %	21.07%	10
HDF personnel at disposal	2,340	967	-	1,284	-	2,373	
- as percentage of personnel	33.60%	13.89%	-	18.44%	-	34.08%	10
Defence organization	10,549	8,798	2,571	1,284	30,490	15,480	6
- as percentage of personnel	15.25%	12.72%	3.72%	1.86%	44.08%	22.38%	10

Number of positions

Defence organization (1997)

Organization	Existing (person)						
	officer	NCOs	contr.	stud.	enlist.	civ.	total
Organizations of the HDF		8,622	8,793	4,289	-	23,920	13,293
- as percentage of positions		14.63%	14.92%	7.28%	-	40.60%	22.56%
HDF personnel at disposal		3,243	1,558	-	1,409	-	2,546
- as percentage of positions		37.04%	17.79%	-	16.09%	-	29.08%
Defence organization		11,865	10,351	4,289	1,409	23,920	15,839
- as percentage of positions		17.53%	15.30%	6.34%	2.08%	35.35%	23.41 %

According to the subordination of organizations

Organization	Existing (person)						
	officer	NCOs	contr.	stud.	enlist.	civ.	total
HDF subordination		8,567	7,947	2,571	-	30,490	13,107
- as percentage of personnel		13.67%	12.68%	4.10%	-	48.64%	20.91 %
Ministry subordination		1,982	851	-	1,284	-	2,373
- as percentage of personnel		30.54%	13.11 %	-	19.78%	-	36.56%
Defence organizations total		10,549	8,798	2,571	1,284	30,490	15,480
- as percentage of personnel		15.25%	12.72%	3.72%	1.86%	44.08%	22.38%

Distribution of Officers, NCOs according to age (1991-1997)

Defence organization

Officer (number of persons)

Age	1991	1992*	1993*	1994*	1995*	1996	1997
under 26	2,136	1,883	1,461	942	648	614	415
between 26-30	2,279	2,094	2,237	2,273	2,140	1,809	1,510
between 31-35	2,255	2,115	2,040	1,997	1,977	1,851	1,771
between 36-40	2,730	2,553	2,411	2,210	2,011	1,932	1,815
between 41-45	2,257	2,312	2,434	2,512	2,236	2,253	2,173
between 46-50	1,748	1,645	1,652	1,595	1,478	1,615	1,738
between 51-55	606	693	876	982	869	901	981
over 55	56	41	42	50	40	2	3
Total Officers	14,067	13,336	13,153	12,561	11,399	10,977	10,406

NCOs (number of persons)

Age	1991	1992	1993	1994	1995	1996	1997
under 26	2,191	2,073	2,176	2,315	2,044	1,964	1,843

between 26-30	1,790	1,801	1,947	1,903	1,801	1,727	1,634
between 31-35	1367	1;405	1,539	1,612	1,704	1,707	1,765
between 36-40	1,475	1,469	1,488	1,472	1,373	1,385	1,426
between 41-45	970	1,029	1,165	1,219	1,142	1,363	1,380
between 46-50	487	494	548	60	553	699	803
between 51-55	187	180	228	244	204	149	194
over 55	1						
Total NCOs	8,468	8,451	9,091	9,374	8,821	8,994	9,045

Average age according to rank and gender Defence

Organization (1997)

Officers

Gender	It.	1 st It.	Capt.	Major	It. Col.	Colonel	Total
Male	25.14	30.99	36.00	41.07	46.68	49.26	39.24
Female	33.94	34.96	40.97	42.94	49.61	52.00	40.62

NCOs

Gender	Lance sgt.	Sgt. mj.	St. sgt.	Mast.sgt.	Warr.	St.w.o	Ch.w.o.	Total
Male	21.67	22.75	26.94	33.81	39.00	44.75	47.97	33.12
Female	23.00	26.34	33.51	40.73	44.34	46.20	45.14	39.24

Distribution of Officers and NCOSs accoding to rank 1991-1997

Defence Organization

Officer (number of persons)

Rank	1991	1992	1993	1994	1995	1996	1997
jun. It.	130	28	5				
lieutenant	2,943	2,433	1;685	540	431	489	391
1 st It.	3,018	2,938	3,239	2,483	1,712	1,508	
captain	2,751	2,719	2,787	3,202	3,344	3,326	3,183
major	~ 2,626	2,560	2,597	2,688	2,524	2,492	2,474
It. col.	2,167	2,231	2,392	2,487	2,163	2,387	2,289
col.	397	395	40	389	397	509	503
brig. gen.				13	21	35	34
maj. gen.	30	29	36	38	31	24	20
It. gen.	4	2	2	1	4	3	4
col. gen.	1	1	1	1	1		

Total Officers	14,067	13,336	13,153	12,561	11,399	10,977	10,406
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NCOs (number of persons)

Rank	1991	1992	1993*	1994*	1995*	1996	1997
lance sgt.	29	49	31			2	*
sergeant	1,841	1,687	1,805	1,734	1,434	1,307	1,327
st. sgt.	2,497	2,356	2,390	1,922	1,729	1,747	1,732
mast. Sgt.	2,283	2,505	2,804	3,196	3,298	3,425	3,453
war.off.	1,355	1,368	1,466	1,472	1,388	1,572	1,545
st.war.off.	463	486	595	1,022	942	908	946
ch.war.off.				28	30	33	36
Total NCOs	8,468	8,451	9,091	9,374	8,821	8,994	9,045

Distribution of Officers and NCOs according to gender 1991-1997

Defence Organization

Officer (number of persons)

Gender	1991	1992*	1993*	1994*	1995*	1996	1997
Male	13,700	12,960	12,764	12,112	10,942	10,499	9,932
Female	367	376	389	449	457	478	474
Total Officers	14,067	13,336	13,153	12,561	11,399	10,977	10,406

NCO (number of persons)

Gender	1991	1992*	1993*	1994*	1995*	1996	1997
Male	7,537	7,477	7,998	8,228	7,651	7,327	7,321
Female	931	974	1,030	1,146	1,170	1,667	1,724
Total NCOs	8,468	8,451	9,091	9,374	8,821	8,994	9,045

Distribution of officers and NCOs according to level of civilian education 1991-1997

Defence Organization

Officer (number of persons)

Civilian education	1991	1992*	1993*	1994*	1995*	1996	1997
elementary	391	301	248	226	152	133	132
secondary	3,493	3,105	2,997	2,751	2,324	2,447	2,217
tertiary	10,183	9,930	9,908	9,584	8,923	8,397	8,057
Total Officers	14,067	13,336	13,153	12,561	11,399	10,977	10,406

NCO (number of persons)

Civilian education	1991	1992	1993*	1994*	1995*	1996	1997
elementary	5,868	5,566	5,597	5,465	4,844	4,412	4,341

secondary	2,509	2,794	3,402	3,843	3,939	4,523	4,650
tertiary	91	91	92	66	38	59	54
Total NCOs	8,468	8,451	9,091	8,821	8,994	9,045	

Distribution of Officers and NCOs according to level of military education 1991-1997

Defence Organization

Officer (number of persons)

Military education	1991	1992*	1993*	1994*	1995*	1996	1997
none	1,769	1,657	1,635	1,645	1,535	1,583	1,535
NCOs school	1,034	981	882	879	756	647	620
res. commander	685	634	627	603	528	445	423
college	6,990	6,499	6,226	5,785	5,610	5,412	5,038
staff officer	-	-	250	301	411	325	317
university	3,478	3,475	3,448	3,253	2,442	2,460	2,372
staff college	111	90	85	95	117	105	101
Total Officers	14,067	13,336	13,153	12,561	11,399	10,977	10,406

NCOs (number of persons)

Military education	1991	1992*	1993*	1994*	1995*	1996	1997
None	3,225	3,371	3,932	4,106	3,910	4,279	4,521
NCOs	5,243	5,080	5,159	5,268	4,911	4,715	4,524
Total NCOs	8,468	8,451	9,091	9,374	8,821	8,994	9,045

*In positions at the Hungarian Defence Forces

Age distribution of Officers according to rank (%)

Defence Organization 1997

Rank	21-25	26-30	31-35	36-40	41-45	46-50	51-55	56-60	Total
lt.	74.16	15.51	3.37	2.70	3.15	1.12			100
1 st lt.	4.95	59.35	14.30	9.41	7.70	3.48	0.79		100
capt.	0.09	14.23	41.68	18.81	14.41	8.36	2.40		100
major		0.50	9.49	37.29	31.23	14.98	6.52		100
lt. col.		0.13	0.35	6.92	32.15	37.41	23.04		100
col.				0.99	19.25	36.71	42.86	0.20	100
br. gen				2.94	8.82	44.12	41.18	2.94	100
mj. Gen						45.00	55.00		100
lt. gen.						50.00	25.00	25.00	100

Total	3.92	14.32	17.28	17.39	20.78	16.66	9.63	0.03	100
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Rank distribution of Officers according to age (number of persons)

Defence Organization 1997

Age	It.	1 st It.	capt.	maj.	It. col.	col.	br. gen	mj. Gen.	It. gen	
21-25	330	81	3							
26-30	69	971	456	12	3					
31-35	15	234	1,336	230	8		1			
36-40	12	154	603	904	158	5				
41-45	14	126	462	757	734	97	3			
46-50	5	57	268	363	854	185	15	9	2	
51-55		13	77	158	526	216	14	11	1	
56-60						1	1		1	
Total	445	1,636	3,205	2,424	2,283	504	34	20	4	1
Average Age	25.84	31.52	36.39	41.46	46.83	49.29	49.32	50.90	52.75	

Age distribution of Officers according to rank (%)

Defence organization 1997

Age	It.	1 st It.	capt.	maj.	It. col.	col.	br. gen	mj. gen.	It. gen	Total
21-25	79.71	19.57	0.72							100
26-30	4.57	64.26	30.18	0.79	0.20					100
31-35	0.82	12.83	73.25	12.61	0.44		0.05			100
36-40	0.65	8.39	32.84	49.24	8.61	0.27				100
41-45	0.64	5.75	21.07	34.52	33.47	4.42	0.14			100
46-50	0.28	3.24	15.24	20.65	48.58	10.52	0.85	0.51	0.11	100
51-55		1.28	7.58	15.55	51.77	21.26	1.38	1.08	0.10	100
56-60						33.33	33.33		33.33	100
Total	4.22	15.50	30.36	22.97	21.63	4.77	0.32	0.19	0.04	100

Rank distribution of officers according to age (%)

Defence organization 1997

DOB	Age	It.	1 st It.	capt.	maj.	It. col.	col.	br. gen	mj. gen.	It. Gen	
1941	56							1			
1942	55			4	21	60	31	3	1	1	
1943	54		1	14	32	98	64	1	5		

1944	53		3	17	28	126	40	4	4		
1945	52		3	12	44	127	44	3	1		
1946	51		6	30	33	115	37	3			
1947	50	1	6	32	49	142	38	2		1	
1948	49	2	11	47	68	122	33	3	1	1	
1949	48		11	59	75	195	42	4	5		
1950	47	1	13	63	67	199	36	1	2		
1951	46	1	16	67	104	196	36	5	1		
1952	45	3	19	81	107	183	35	1			
1953	44	3	24	85	124	206	30	2			
1954	43	3	26	100	131	161	18				
1955	42	1	23	98	179	108	10				
1956	41	4	34	98	216	76	4				
1957	40	1	32	86	198	58	3				
1958	39		29	100	187	49	1				
1959	38	3	29	94	187	26	1				
1960	37	3	30	151	176	14					
1961	36	5	34	172	156	11					
1962	35		37	216	85	3					
1963	34	4	32	232	67	1					
1964	33	4	33	318	37	3					
1965	32	5	45	274	23	1		1			
1966	31	2	87	296	18						
1967	30	30	2	147	255	4	3				
1968	29	29	10	267	107	6					
1969	28	8	254	71							
1970	27	21	178	13	1						
1971	26	28	125	10	1						
1972	25	63	68	3							
1973	24	138	6								
1974	23	128	6								
1975	22	1	1								
Total		445	1,636	3,205	2,424	2,283	504	34	20	4	

Language skills of officers according to level of knowledge
Defence organization 1997

Language	Intermediate	Advanced	Total	Language	Intermediate	Advanced	Total
English	771	377	1,148	German	411	184	595
Arabic	4	4	8	Italian	46	54	100
Bulgarian	4		4	Russian	544	1,829	2,373
Czech	3	4	7	Portuguese		3	3
French	75	45	120	Romanian	19	13	32
Greek		2	2	Spanish	21	17	38
Dutch	1		1	Serbian	8	5	13
Croatian	8	7	15	Slovakian	26	35	61
Japanese	1	1	2	Turkish		2	2
Polish	1	72	73	Ukrainian	15	5	20
Macedonian	1		1	Total	1,960	2,659	4,619
Mongolian	1		1				

Distribution of General Officers

	General Officer position	Rank of the position occupied			
General	Colonel	Other			
HDF Command	34	17	1		
Ground Forces	16	8	1		
Aviation and Air Defence	6	3			
Central Organizations	1	1			
HDF Command					
Directly subordinated organizations					
Military Prosecutors' Offices	3	2			
HDF Total	60	31	2	-	
Studying	-				
Reserve	-			7	
Serving with civilian organizations	-				
Organizations					
under the MOD and the Minister	52	14	1	1	
HDF officers at disposal	52	14	1	7	
Waiting for HDF position	-				
Relieved from position	-	1	1	2	
In HDF, terminated positions	-				
Waiting for MOD position	-				
Relieved from position	-				

In MOD, terminated positions	-				
Temporary Organizations	-	1		1	
Total Defence Organization	112	46	3	8	

Distribution of Colonels

	General Officer position	Rank of the position occupied			
General	Colonel	Other			
HDF Command	144	14	84	3	
Ground Forces	65	7	33	1	
Aviation and Air Defence	36	3	23	1	
Central Organizations	13		8		
HDF Command					
Directly subordinated organizations	106		58	11	
Military Prosecutors' Offices	6	1	6		
HDF Total	370	25	212	16	
Studying	-			4	
Reserve	-			17	
Serving with civilian organizations	-			13	
Organizations under the MOD and the Minister	262	25	144	34	
HDF officers at disposal	262	25	144	34	
Waiting for HDF position	-				
Relived from position	-		4	1	
In HDF, terminated positions	-	1	7	1	
Waiting for MOD position	-				
Relieved from position	-		1		
In MOD, terminated positions	-				
Temporary Organizations	-	1	12	2	
Total Defence Organization	632	51	368	52	

NCOs ranks according to age, (number of persons)

Defence organization 1997

DOB	Age	lance sgt.	sgt. mj.	st. sgt.	Mast.sgt.	warr.off	st.w.off.	ch.w off.	
1942	55					3	9	2	
1943	54					6	19	2	
1944	53				2	11	22	6	

1945	52				2	21	21		
1946	51			1	11	23	32	1	
1947	50			3	23	43	51	4	
1948	49				17	39	60	2	
1949	48			4	33	54	66	3	
1950	47			3	43	54	76	3	
1951	46			6	66	66	82	3	
1952	45			4	60	74	86	1	
1953	44		1	11	91	90	76		
1954	43			13	85	118	77	1	
1955	42			11	136	137	35	2	
1956	41			23	121	108	19		
1957	40		1	29	104	106	29		
1958	39			23	144	100	19		
1959	38		2	19	154	81	3		
1960	37		5	35	179	70	3	1	
1961	36		7	33	198	72	5		
1962	35		10	35	207	61	2	1	
1963	34		13	44	230	63	6		
1964	33		5	57	258	45	6		
1965	32		14	68	231	24	5		
1966	31		12	70	264	25	5		
1967	30		25	71	244	12	6		
1968	29		22	110	183	7	6		
1969	28		27	143	141	8	7		
1970	27		23	182	92	3	2		
1971	26		52	206	56	8			
1972	25		65	186	30	4			
1973	24		122	167	4	3	1		
1974	23	1	208	145	5	1			
1975	22	2	221	43	1				
1976	21	1	246	7					
1977	20		146	1	1				
Total		4	1,227	1,753	3,416	1,540	836	32	8

Language skills of NCOs according to level of knowledge

Defence organization 1997

Language	Intermediate	Advanced	Total	Language	Intermediate	Advanced	Total
English	15	1	16	Italian	2		
Bulgarian		1	1	Russian	9	7	
Czech	4		4	Romanian	1	6	
French				Serbian	1	2	
Croatian	2	3	5	Slovakian	2	2	
Polish		2	2	Ukrainian		2	
German	14	5	19	Total	36	29	

Changes in the number of personnel in the defence organization

Employee group	HDF organizations			At disposal			1 st-3rd year students
1995	1996	1997	1995	1996	1997	1995	1996
-in place (allowed)		9,300	8,550		2,470	2,900	
-existing	11,399	8,887	8,500	632	205	204	
-difference		-413	-50		-375	-851	
-influx							
-outflow							
NCOS and warrant officers							
-in place (allowed)		8,650	8,950		1,630	1,650	
-existing	8,821	8,134	7,917	57	870	881	
-students in higher education (warrant off.)					407	411	
-existing total	8,821	8,134	7,917		1,277	1,292	
-difference		-516	-1,033		-353	-358	
-influx							
-outflow							
enlisted							
-in place (allowed) a		29,430	28,207				
-existing		27,795	30,490				
- in contract enl, pos.		2,316	2,571				
-existing total		30,111	33,061				
-difference		+681	+4,854				
1 st-3rd year students in higher education							
-in place (allowed)							
-existing							

-difference							
public servant							
-in place (allowed)		14,450	8,900				
-existing	18,073	14,243	13,107				
-difference		-207	+4,207				
grand total							
-in place (allowed)		61,830	52,000		4,100	4,550	
-existing		61,375	62,585		3,372	3,341	
-difference		-455	+10,585		-728	-120	

**Age distribution of women according to rank
Defence Organization 1997.**

Rank 16-20	21-25	26-30	31-35	36-40	41-45	46-50	
Lance sgt.	1						
Sergeant 9	83	48	28	7	1		
Staff sgt. 1	35	74	117	69	35	15	
Master sgt.	5	29	79	129	218	118	
Warrant off.	1	5	14	73	175	159	
Staff war.off.		3	10	47	58	24	
Ch,warr. off.		1		2	3	1	
NCOS 10	125	156	242	288	478	353	
Jun .lt.	3	13	1	5	8	2	
Lieutenant	6	27	29	11	17	12	
1 st lieutenant	10	29	27	45	29	11	
Captain			11	35	54	28	
Major			11	35	54	28	
Lt. Colonel				1	8	12	
Colonel						4	
Officer 0	9	50	70	79	132	83	
Total 10	134	206	312	367	610	436	

**Rank distribution of women according to education
Defence Organization 1997.
Officers**

Civilian education	lieutenant	1 st lieutenant	captain	major	lt. Colonel	colonel	total
secondary	3	22	46	19	2		92

higher education	29	81	105	124	39	4	382
total	32	103	151	143	41	4	474

NCOs

Civilian education	lance sgt.	Sgt .mj.	st. sgt.	mast. sgt.	warr. Off	st.w.o.	ch.w.o.	
elementary	1	9	21	82	26	5		
secondary		167	321	501	426	132	7	1
total	1	176	347	586	465	142	7	1

Outflow of Officers and NCOs according to termination category

Defence Organization 1997

Officer (number of persons)

Category of termination	1991	1992	1993	1994	1995	1996	1997	T
Retired	1,118	425	221	340	925	763	169	3
- of these for organizational reasons	720	249	53	68	510	286	195	2
Transferred to reserve	640	286	182	210	262	407	339	2
- of these for organizational reasons	299	90	14	9	11	217	74	
Transferred to other service	313	162	113	57	65	264	79	1
Deceased	35	20	19	25	31	19	9	
Total NCOs remaining	2,106	893	535	632	1,283	1,453	596	7
- of these for organizational reasons	101	339	67	77	521	503	269	2

NCO (number of persons)

Category of termination	1991	1992	1993	1994	1995	1996	1997	T
Retired	868	257	10	178	603	422	229	2
- of these for organizational reasons	612	141	15	34	395	208	173	1
Transferred to reserve	861	397	281	367	433	617	229	3
- of these for organizational reasons	172	62	13	9	23	252	76	
Transferred to other service	110	71	30	10	22	84	37	
Deceased	20	15	10	20	14	11	12	
Total NCOs remaining	1,859	740	430	575	1,072	1,134	507	6
- of these for organizational reasons	784	203	28	43	418	460	249	2

Characteristics of personnel numbers during the two World Wars and the 1919 Revolution

World war I.

1914: the total peace time number of the joint Austrian-Hungarian armed forces - 415,000 (Officers: 34,000).

Envisaged number of personnel able to be mobilized: one million eight hundred thousand
 1918: 4.5 million soldiers in arms (as of January 1), 2.9 million in combat, 1.6 million in the rear. A total of 9 million soldiers served during the war. Of these, 1.1 million were killed in action, 1.9 million were wounded and 2.1 million were taken as prisoners of war (POW).

1919 Revolution

May 5, 1919. the combat force numbered 57,264

on May 10: 72,070 persons

on May 13: 107,005 persons.

The army had a total of eight divisions serving. These had 115 battalions with 51,586 weapons, 84 machine gun companies armed with 682 weapons, 8 cavalry companies with 870 horsemen, 14 cannon batteries with 63 cannons, 2 mountain gun batteries with 5 guns, 20 howitzer batteries with 81 guns and 3 heavy batteries with 6 guns, 16 engineering companies, 8 air squadrons with a total of 37 aircraft.

World war II:

1941: The strength of the Hungarian forces: 255 thousand

1942: The strength of the Hungarian forces: 549 thousand

1944: The strength of the Hungarian forces: 1,014,727

(Of these: 17 thousand professionals, 37 thousand reservists, 160 thousand deceased, 280 thousand POW)

Female Soldiers to rank (1953-1956, 1958)

	1953	1954	1955	1956	1958
Number of women	873	655	585	479	140
As % of professional officers and NCOs	2.4	1.,8	1.5	1.5	0.8
decrease in 1953=100%	100.0	75.0	67.0	54.0	16.0

Distribution percentage of Officers according (1955, 1956, 1958)

Rank	1955	1956	1958
Colonel	0.4	0.4	0.7
Lt. Colonel	1.7	2.1	3.1
Major	3.7	3.8	6.5
Captain	10.0	12.6	26.2
1 st Lieutenant	24.4	27.7	45.1
Lieutenant	58.2	52.1	18.3
Junior Lieutenant	1.6	1.3	0.1
Total	100.0	100.0	100.0

Education level of those serving in the military in 1958

	Generals and officers	Officers and NCOs	Enlisted and cadets	Total
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illiterate			15	15
in %		0.04	0.03	
reads and writes			23	23
in %			0.06	0.04
elementary 1-4	85	96	3,996	4,177
in %	0.6	2.8	10.1	7.3
elementary 5-8	9,042	2,885	29,241	41,168
secondary 1-4 in %	65.1	84.7	73.7	72.3
secondary 5-6	1,248	169	1227	2,644
in %	9.0	4.9	3.1	4.63
secondary 7-8	523	58	689	1,270
in %	3.7	1.7	1.7	2.2
vocational training 1-3 yr.	203	30	491	724
in %	1.5	0.9	1.3	1.3
high school graduate	2,197	167	3,980	6,344
in %	15.8	4.9	10.0	11.1
university, college	597	1		598
in %	4.3	0.03		1.1
total	13,895	3,406	39,662	56,963
in %	100.0	100.0	100.0	

Ground forces numbers (1947, 1948, 1952, 1955)

Numbers	1947 autumn	1948 spring	1952 autumn	1955 autumn
general and officer	292	333	19,489	14,123
NCOs	496	569	34,535	17,186
enlisted	2,936	6,546	71,080	49,190
officer cadet	-	710	1,863	5,301
total soldiers	3,724	7,448	132,249	82,362
public servant	13	7	1,648	2,590
total	3,737	7,455	133,897	84,952

Level of education within the Officer ranks (1955, 1956, 1958)

	1955	1956	1958
Elementary 1-4	388	264	85

In %	1.3	1.0	0.6
Elementary 5-8	21,202	18,355	9,042
Secondary 1-4 in %	72.3	70.4	65.1
Secondary 5-8	1,709	1,620	1,248
In %	5.8	6.2	9.0
Secondary 7-8	1,123	800	826
In %	3.8	3.1	5.2
Secondary school graduate	2,407	2,817	2,197
In %	8.2	10.8	15.8
University, college	2,515	2,227	597
In %	8.6	8.6	4.3
Total	29,346	26,084	13,895
In %	100.0	100.0	100.0

In 1955, 2 persons, and in 1956 1 person were without formal schooling.

Officers corps according to age (1955, 1956, 1958)

Officers	1955	1956	1958
-22 years	1,135	510	118
in %	3.9	2.0	0.9
number	10,098	6,287	1,331
23-25 years in %	34.4	24.1	9.5
number	10,901	13,598	7,172
26-30 years in %	37.1	52.1	51.6
number	5,265	4,258	4,009
31-40 years in %	17.9	16.3	28.9
number	1,341	1,079	879
41-45 years in %	4.6	4.1	6.3
over 45	606	352	386
in %	2.1	1.4	2.8
Total number	29,346	26,084	13,895
in %	100.0	100.0	100.0

Changes in military higher education

1955(56)-1967	1967	1990(91 j-1996	1996
			Zrínyi Miklós
			National Defence

			University (ZMNE)
Zrínyi Miklós Military Academy (ZMKA)	ZMKA	ZMKA	-
			- Faculty of Military Sciences (HTK)
			- Faculty for command and organization (VSZT)
	Kossuth Lajos Military College (KLKF)		-Kossuth Lajos Military College Faculty
Integrated Officers School	KLKF		
	Zalka Máté Military Technical College	Bólyai János Military Technical College (BJKMF)	
(HHDF) HDF Control and Supervision	MOD supervision		BJKMF

Military budget (1967-1970) in HUF

	1967	1968	1969	1970
Wages of Officers, NCOs, civilians	1,209,243	1,278,144	1,360,108	1,589,097
Other wages	17,119	2,285,285	309,969	249,393
Personnel expenses	91,145	1,259,600	1,542,249	1,730,519
Social subsidy	91,505	96,107	965,691	1,198,013
Overhead	1,689,697	218,376	2,589,462	4,101,345
Services	216,771	493,366	578,916	708,552
Subsidy	238,560	194,765	277,357	235,594
Renovation	457,284			
Material assets	1,422,053			
Maintenance costs -				
Total expenditure	5,433,377	6,690,610	7,623,752	9,812,513

Budgets of education institutions from 1991 onwards

1991	1992	1993	1994	1995	1996
3691,8	3230,3	3731,8	4207,4	4607,3	5427,2

Studied abroad since 1989

Austria	19	Norway	1
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Belgium	234	Poland	8
Canada	102	Romania	1
England	62	Russia	7
France	1	Switzerland	34
Germany	216	Ukraine	3
Italy	15	USA	221
The Netherlands	77		

Publications in the military sciences field

	1989	1990	1991	1992	1993	1994	1995	1996
Periodical	601	681	799	862	751	857	416	478
Schoolbook	188	188	124	172	149	130	46	61
Book	54	55	37	58	64	38	6	7

Successful thesis for doctorate and PhD

	1989	1990	1991	1992	1993	1994	1995	1996
doctorate	3	3	2	3	3	1	0	1
PhD	16	11	11	4	10	15	26	18

Supplies (1996)

Annual subsidy for the clothing of conscript soldiers approx. HUF 33,000,
of officers HUF 36,000.

Last year students were dressed for HUF 157,000.

Daily food rations for enlisted men was HUF 325.

(In 1964 the daily ration of one soldier was HUF 14.20.)

Consumption of reserves at the HDF'

Branch	1990	1991	1992	1993	1994	1995	1996
Food (day)							
Central	36 (day)	36 (day)	15 (day)	15 (day)	5/10 (day)	0	0
Clothes							
Cont. decr. by "97	0						
Tons of POL				10,900	5,640	30	0

Central resources consumed to supply units

Year	Value HUF million
1990	0
1991	16
1992	44
1993	408
1994	557
1995	882
1996	694

Consumption and procurement of PAL 1961-1980

Description	5 year plans II. 1961-65	III. 1966-70	IV. 1971-75	V. 1976-80
Total quantity of POL procured for training purposes (thousand tons)				
Gasoline	108	75	59	
Diesel	156	76	97	
Jet fuel	78	162	188	
Annual average consumption of fuel in tons				
Gasoline	20,050	15,000	12,200	10,000
Diesel	7,600	14,500	19,400	15,000
Jet fuel	22,300	33,800	37,100	40,000

Consumption of foodstuffs (1950-1970) - All data in tons unless otherwise indicated

Type	1950	1966	1967	1968	1969	1970
Bread, t	21,772	15,570	15,330	15,930	15,930	16,406
Pasta	no data	2,030	2,110	1,980	1,730	2,030
Flour, t	1,168	1,260	1,260	1,240	1,210	1,130
Rice, t	677	840	860	880	870	890
Legumes, t	2,808	740	750	680	650	690
Beef, t	2,976	2,290	2,170	1,960	1,910	1,850
Pork, t	728	2,030	2,130	2,230	2,340	2,380
Sugar, t	1,718	1,240	1,310	1,400	1,420	1,490
Potatoes, t	1,148	8,200	7,980	8,010	7,790	7,860
Type	1950	1966	1967	1968	1969	1970
Poultry, t	4.8	170	450	370	320	330
Meat products, t	8.4	1,510	1,700	1,690	1,780	1,900
Milk, l	8.2 mill	2.9	2.9	2.9	3.1	3.1
Butter, t	324	170	190	230	220	220
Eggs, pc	0.3 mill.	6.8	7.8	9.2	9.3	10.0

Vegetables, t	4,857	3,360	3,210	3,180	3,250	2,990
Fruits, t	2,466	1,060	1,200	1,430	1,280	1,640

Nutrition of enlisted men (1976-1980)

Type	Unit	1976	1977	1978	1979	1980	1976-80	Planned
Animal proteins	gr/day	63.7	62.5	61.3	62.8	62.8	62.6	59.8
Veg. proteins	gr/day	75.8	71.4	83.0	80.5	90.4	80.2	91.2
Total proteins	gr/day	139.5	133.9	144.3	143.3	143.2	140.8	151.0
Lipids	gr/day	145.8	145.6	145.2	148.1	149.6	146.9	127.4
Carbo-hydrates	gr/day	558.8	571.7	545.7	526.4	534.4	547.3	590.6
Calories		4,115.6	4,130.8	4,067.0	4,011.7	4,057.0	4,097.0	4,113.2

Comparison of the alimentation of the population and enlisted men

	Change of civilian consumption in %- 1980/1976	Change of enlisted consumption in %- 1980/1976 .	Difference (+,-) %
Meat, meat products	99.8	99.5	-0.3
Poultry	113.7	123.8	+10.1
Fish	92.6	57.4	-35.2
Total meat	102.3	98.6	-3.9
Milk, dair	127.9	93.7	-34.2
Eggs	118.4	109.2	-9.1
Butter	117.6	115.6	-2.0
Fats	95.9	101.0	+5.1
Grain grist	96.1	95.6	-3.7
Rice	85.7	27.4	-56.3
Legumes	-	65.6	-
Sugar	38.8	102.0	+15.2

Note: the comparison refers to age group of the civilian population.

Daily rations for air crews (1952)

Description	Day/ person / gr
Bread	600
Meat	280
Poultry	40
Fish	80
Ham, salami	50
Fat	20

Bacon	20
Vegetable oil	15
Bran	40
Pasta	100
Fine flour	100
Flour	20
Potatoes	300
Legumes	225
Tomatoes	80
Vegetables	40
Onion	20
Garlic	2
Butter	60
Cheese	30
Cottage cheese	20
Sour cream	50
Milk	400
Eggs (pcs)	1
Jam	40
Fresh fruits	500
Sugar	60
Instant coffee with sugar	27
Cocoa	5
Tea	1,2
Salt	30
Spices	2,13
Yeast	5
Vinegar (cl)	0.5
Total:	3,263

Food ration no.1. of the Hungarian Home Defence Forces (1951)

Bread	600 g/person/day
Beef	100 g
Pork	30 g
Sausage	50 g
Fats	25 g
Ham	30 g
Cheese	5 g
Onions	20 g
Vegetables	20 g
Garlic	2 g
Cabbage	115 g
Kohlrabi	30 g
Pickles	20 g
Cole	30 g
Tomatoes	50 g
Letscho	10 g
Bean (unshelled)	65 g
Bean (shelled)	10 g
Pea	45 g

Potatoes	400 g
Pasta	50 g
Flour	20 g
Wheat meal	10 g
Rice	10 g
Sugar	15 g
Jam	20 g
Coffee (with sugar)	27 g
Salt	20 g
Paprika (spice)	0,8 g
Spice mixture	1 g
Caraway	0,5 g
Bay-leaf	0,03 g
Vinegar	0,2 cll
Calories: kb.	3,700-3,800
Protein:	135-140 g
Fat:	90-100 g

Cotton, shoe, line, hemp-cloth, jute and wool requirements of the military (1951-1954)

Year	1951		1952		
Descr.					
	Qty.	value	Qty.	value	Qty.
Cotton		3,462,539	50,206,815	3,015,750	43,923,233
		m	HUF	m	HUF
Shoes		255,388	41,628,244	203,840	33,252,920
		pair	HUF	m	HUF
Riding boots		5,212	1,391,604	4,160	1,110,720
Boots:		pair	HUF	pair	HUF
Total		260,600	43,019,848	208,000	34,363,640
		pair	HUF	pair	HUF
Line, hempcloth, jute		1,979,762	57,413,272	1,534,640	44,064,920
		m	HUF	m	HUF
Wool		1,376,643	165,197,000	1,075,208	129,025,000
Total		315,836,935 HUF	251,376,793 HUF	249,457,739 HUF	241,531,300 HUF

Clothing of the HHDF in 1953

1. Enlisted ranks

Woolen jacket

Woolen trousers

Woolen coat

Riding trousers, cotton

Women's woolen coat

II. Officer and NCO ranks

49. M. Worsted cap

49. M. Worsted jacket

49. M. Worsted trousers

49. M. Worsted riding trousers

50. M. Women's coat

Sailor's cap
Sailor trousers
Winter cap
Shirt
Woolen riding trousers
Woolen skirt
50 M coat
Women's coat
Sailor's jacket
Sailor's coat

49. M. Summer trousers
50. M. Women's worsted skirt
50. M. Woolen skirt
50. M. Women's Jean skirt
50. M. Officer's winter cap
50. M. Riding trousers
50. M. NCO Worsted cap
50. M. NCO Worsted jacket
50. M. NCO Worsted trousers
49. M. Woolen coat

Clothing and equipment of the HHDF in 1973

I. Combat {Field} clothing

1. Regular Uniform

winter cap
summer cap
steel helmet
field jacket
field trousers
green shirt
winter shirt
sweat shirt
winter drawers
short
winter field socks
summer field socks
boots
3/4 coat
3/4 coat lining
trouser lining
field gloves
belt
waist belt with should strap
waist belt
mess-tin
water bottle
flatware
carrying bag
map bag
2. Women's clothing
women's cap
women's field jacket
women's field trousers
women's field skirt
green blouse
women's winter field socks
women's summer filed socks
women's boots
women's 3/4 coat

women's 3/4 coat lining
women's trouser lining

3. Tank crew clothing

tanker's coat
tanker's coat lining
tanker's and motorcycle driving
gloves

4. Aviator's clothing

aviator's summer jacket
aviator's summer shirt
aviator's summer drawers
aviator's winter shirt
aviator's winter drawers
aviator's winter shoes
aviator's winter jacket
aviator's winter trousers
aviator's leader jackets

5. Aircraft mechanic's clothing

mechanic's winter cap
mechanic's summer cap
mechanic's summer jacket
mechanic's summer trousers
mechanic's winter jacket
mechanic's winter trousers

6. Paratrooper's (commando) clothing:

Paratrooper's summer jacket
Paratrooper's summer trousers
Paratrooper's boots
Paratrooper's winter jacket
Paratrooper's winter trousers
Paratrooper's rucksack

II. Service, daytime and gala

1. General Officers:

general officer's winter cap
general officer's peaked cap
general officer's jacket
general officer's trousers
general officer's riding trousers
general officer's shirtwaist
general officer's cloak
general officer's coat
general officer's shoes

2. Professional, serving

soldiers and military student's
clothing
winter cap
peaked cap

jacket
trousers
service trousers
riding trousers
shirtwaist
green shirt
white shirt
socks
long socks
high boots
light boots
shoes
summer shoes
cloak
coat
drizzler
3/4-size drizzler
3/4-size coat lining
rain coat
bag strap
neck tie
gloves
scarf
pullover
women's hat
women's cloak
women's coat
women's jacket
skirt
women's dress
women's service trousers
white blouse
women's gala shoes
women's shirtwaist
women's gala bag
women's shoes
women's bag

3. Dress uniform:

peaked cap
jacket
trousers
green shirt
shoes
shirtwaist
socks
rain coat

III. Clothing for parade and poling units

1. *Gala uniform of the Guards*
of Honor and the Band

**gala cap
gala jacket
riding trousers
gala cloak
white gloves
gala belt
aiguillettes (gold, silver)
arm patch (gold, silver)**

**2. Military Police
white police helmet
MP steel helmet
white belt with shoulder strap
white waist belt
white batons
patrol bag**

**3. Traffic police clothing:
white traffic policing helmet
white traffic policing steel helmet
white cuffs
traffic policing wooden baton**

**4. Motorcycle drivers
helmet
motorcycle jacket
motorcycle trousers
protective goggles**

**IV. Leisure clothing
sweat suit
T shirt
shorts
socks
sport shoes
handbag**

**V. Ornaments, rank insignia general officer's golden oak-leaf
armed services insignia
nickel-plated armed services
insignia
general officers' golden cap
sign
cap insignia
rank patches
aglets
buttons
stars**

Service branch colors from 1993 until present day

1. Scarlet:	- general officer	5. Carmine:	- logistics
	- artillery,		- mapping
	- air defence artillery,		- engineer, technician
	- air defence radar		- legal,
	- musician,		- medical,
	- honor guard (Central Unit)		- transport,
			- traffic,
2. Light blue:	- aviation officer and general		- civilian defence.
3. Cornflower blue:	- system organizers	6. White:	- reconnaissance
	- signals,	7. Black:	- armored
	- radio electronic	8. Grass green:	- mech. infantry
4. Dark blue:	- sailor	9. Steel green:	- engineering, NBC.

Colors of collar patches I.1790-1918

Infantry	Turkish red	1868-1918
Cavalry	red	1880-1918
Artillery	scarlet	1913-1918
Quatermasters	scarlet	1798-1837
	Turkish red	1837-1858
	light blue	1858-1869
	crimson	1868-1880
	cherry red	1900-1918
Alimentation	light blue	1817-1918
	crimson	1918-
Clothing	scarlet	1798-1837
	Turkish red	1837-1857
	dark blue	1857-1890
Wagoners	dark brown	1878-1890
Housing	cherry red	1878-1890
Medical	light blue	1851-1854
	black (velvet)	1854-1918
Pharmacist	light blue	1871-1890
Veterinary	Turkish red	1798-1969
	cherry red	1869-1903
	dark blue velvet	1903-1918
Weapons	dark blue	1851-1906
	Turkish red	1906-1908
	dark red	1908-1918

Colors of Hungarian collar patches II.1919-1926

General officers	dark scarlet
Infantry	dark leaf green
Cavalry	cornflower blue
Artillery	light scarlet
Engineering troops	black-green (steel green)
Aviators	white
Rail troops	emperor's yellow
Support officers	slate
Doctors	black
Chaplains	dark blue
Military judges	dark Turkish red
Quartermasters	dark crimson

Colors of those serving in other non-categorized units were usually similar to the service colors

Registry sergeant.	dark leaf green
Artillery technician	light scarlet
Signals technician	black-green (steel green)
Aviation technician	white
Railway technician	emperor's yellow
Chief accountant	slate
Prison warden	dark Turkish red
Construction technician	cherry red
Weapons technician	dark red
Chief blacksmith	Turkish red
Clothing depot technician	reddish brown
Bed linen depot technician	reddish brown
Engineer's hand	blue-slate

Colors of Hungarian collar patches III.1926-1944

Infantry	leaf green	General officer's trouser stripes	dark Turkish red
Engineer troops	steel green	Medical troops	black
Rapid troops		Chaplains*	black
(armored, cavalry, bicyclists)	cornflower blue	Doctors:	black
Vets	medium blue*	Air force officers and enlisted	black
River flotilla	dark blue	Food supply troops	tan
Artillery	scarlet	Railway troops	coffee brown
Military engineers	cherry red*	Officers of the cabinet office	white
Quarter masters	crimson	general staff officers*	black on scarlet
Military Judges*	Turkish red		base

*of velvet

Collar patch colors of Hungarian soldiers IV.1945-1993

Service branch	Service branch color	
Infantry, riflemen	leaf green	
1957 onwards	green	
Mech.	infantry	between
1954-57 double collar	black on red	
1957 onwards as infantry		
Cavalry (terminated in 1955)	sulfurous yellow	
Artillery	scarlet	
Air defence artillery 1948	scarlet	
Double collar until 1951	red on white	
1951 onwards	scarlet	
Engineer troops	dark green	
1957 onwards	green	
Armored between 1945-1954	light blue	
1954-57 double collar	black on red	
1957 onwards	black	
Signal troops	dark blue	
1957 onwards	green	
Air defence 1951, 1957 onwards	air defence	
insignia	scarlet	
Air Force 1945 onwards	white	
1948 double collar	light blue on	
	white	
1951 onwards	light blue	
Paratroopers: from 1948 double collar:	leaf green on white	
1951 onwards	leaf green	
1957 onwards	green	
Attack artillery between 1949-1951	scarlet	
Service branch	Service branch color	
NBC 1951 onwards:		
Anti-NBC 1957 onwards	dark green	
1957 onwards	green	
Railway troops 1951 onwards	dark green	
1957 onwards	green	
Road transport		
1951 onwards	dark green	
1957 onwards	green	
River flotilla	dark blue	
Logistics		
from 1951 until 1957	crimson	
1957 onwards	green	
Road and rail service	brown	
Medical		
Until 1957	black	

1957 onwards	green
Mapping 1951 onwards	leaf green
1957 onwards	green
Military administration service	
1951 onwards 1957-ig	slate
Musicians	color of the service branch
Art ensemble 1957 onwards	green
Officer cadets 1957 onwards	green
Legal 1957 onwards	green
Engineers, technicians	color of the service branch
Border guards, rangers 1949	light blue on red
Chaplains	black (velvet)

Food rations of the HHDF (1868-1914)

Foodstuff	? days a week	old unit (1872)	new unit
Meat	7	1/3 pound	190 grams
Wheat	2	1/3 pound	190 grams
Peas, lentil, beans	2	1/2 meszely 8 lat	18 centiliters 140 grams
Barley	1	see above	see above
Buck-wheat or millet	1	6,5 lat 8 lat	-
Coleslaw or carrots	1	-	280 grams
Potatoes	1	1 pound	560 grams
Vinegar	1	1/16 meszely	2 centiliters
Salt	7	1 lat 3/3 lat	20 grams 15 grams
Pork fat	7	1/2 lat 1 lat	10 grams 20 grams
Onions	7	3/8 lat.	10 grams
Garlic	7	3/8 lat.	10 grams
Pepper	7	1/32 lat.	0,5 grams

The Budget

Defence budget (all figures in HUF billion)

Budget year	1991	1992	1993	1993	1995	1996	1997
EXPENDITURES	53,580	61,216	67,491	67,966	76,937	89,344	100,917
Operating budget	44,422	51,878	59,490	60,757	67,302	78,805	90,216
Personnel costs	17,895	19,076	21,806	24,953	27,674	29,967	35,424
Regular personnel support	17,895	19,076	21,806	24,953	19,970	21,872	25,919

Extraordinary support					5,595	5,917	7,191
External personnel costs					2,108	2,178	2,314
Employers contributions	6,974	7,338	9,315	10,049	10,895	10,907	13,538
Social Security contributions	6,974	7,338	9,315	10,049	10,895	10,907	12,299
Employers' subsidy							1,239
Non-personnel expenses	19,552	25,463	27,294	24,461	28,022	32,773	36,234
Other operating costs							
Subsidies			1,074	1,292	711	5,156	5,018
Accumulation expenses	9,158	9,338	8,001	5,047	5,630	10,539	10,701
Renovation	3,147	2,558	2,411	1,363	1,871	2,011	4,195
Other institutional accumulation	2,474	3,322	3,089	1,282	1,319	5,766	2,324
Other investment	3,537	2,367	765	933	339	368	110
Housing subsidy		415		220	450	400	600
Housing construction		676	835	749	680	769	1,690
Special investment programs							
High priority investments			900	499	970	1,223	1,781
Special appropriations				2,161	4,004	4,477	
REVENUE	8,014	9,066	10,605	8,437	11,346	15,096	12,905
Operations budget	8,014	9,066	10,605	8,437	11,346	11,564	11,303
Institutional operational revenue	8,014	9,066	10,605	8,437	11,346	5,814	6,581
Taxes, tax-type revenue							
Financial assets from							
social security for operations						4,063	4,200
Financial assets from state funds for operations						3	0
Other operative financial assets						1,683	521
Accumulation revenue						3,532	1,602
Transfer of assets from social security for accumulation						0	0
Transfer of assets from state funds for accumulation						0	0
Other accumulative revenue						3,532	1,602
Special appropriations revenue (in 1995-96)						0	0

Budget year	1991	1992	1993	1994	1995	1996	1997
Expenses on nominal value	53,580	61,216	67,491	67,966	76,937	89,344	100,917

Real value	53,580	45,345	40,645	33,413	31,838	28,839	26,376
Cumulated constant real value	42,233	42,233	42,233	42,233	42,233	42,233	42,233
REVENUE	8,014	9,066	10,605	8,437	11,346	15,096	12,905
Personnel contributions	17,895	19,076	21,806	24,953	27,674	29,967	35,424
Special investment programs						0	0
High priority investments			900	499	970	1,223	1,781
Special appropriations				2,161	4,004	4,477	0
Social security contributions	6,974	7,338	9,315	10,049	10,895	10,907	13,538
Non-personnel expenses	19,552	25,463	27,294	24,461	28,021	32,773	36,234
Other expenses and subsidy							
for operations			1,074	1,292	711	5,156	5,018
Russian equipment delivery							
Renovation	3,147	2,558	2,411	1,363	1,871	2,011	4,195
Other institutional							
accumulation expenses	2,474	3,322	3,089	1,282	1,319	5,766	2,324
Other investments	3,537	2,367	765	933	339	368	110
Housing subsidy		415		220	450	400	600
Housing construction		676	835	749	680	769	1,690
Special investments				~		0	0
High priority investments			900	499	970	1,223	1,781
Special appropriations				2,161	4,004	4,477	0
Operation budget	44,422	51,878	59,490	60,757	67,302	78,805	90,216
Accumulation expenses	9,158	9,338	8,001	5,047	5,630	10,539	10,701
Special appropriations	0	0	0	2,161	4,004	4,477	0
Russian equipment delivery						0	0
Renovation	3,147	2,558	2,411	1,363	1,871	2,011	4,195
Other institutional	2,474	3,322	3,089	1,282	1,319	5,766	2,324
accumulation expenses							
Other investments	3,537	2,367	765	933	339	368	110
Housing subsidy		415		220	450	400	600
Housing construction		676	835	749	680	769	1,690
Special investments						0	0
High priority investments			900	499	970	1,223	1,781
Expenditures	53,580	61,216	67,491	67,966	76,937	89,344	100,917

REVENUE	8,014	9,066	10,605	8,437	11,346	1,506	12,905
Real value of expenditures	53,580	45,345	40,645	33,413	31,838	28,839	26,376

Evolution of the real value of defence expenditures

Distribution of the Defence Portfolio budget 1995-1997, (all figures in HUF million)

Description	1995. fact		1996. fact		1997 .	
	value	%	value	%	value	%
Wage type expenses	27,674	35.9	28,392	35.9	32,214	
Social security contributions	10,895	14.1	10,911	14.1	13,274	
Non-personnel expenses	27,620	35.9	26,949	35.9	33,580	
Misc. expenses	409	0.6	731	0.6	1,493	
Renovation	1,871	2.4	2,682	2.4	3,925	
Procurement of technical equipment	1,319	1.7	2,918	1.7	1,994	
State investment	2,440	3.2	1,700	3.2	4,000	
Specially appropriated expenditures	4,772	6.2	4,696	6.2	4,325	
Total	77,000	100.0	78,982	100.0	96,800	

Defence expenditures and inflation

Budget year	1995	1996	1997	1998
Expenses	76,937	89,344	100,917	122,503
Expenses in real terms	76,937	69,691	63,739	65,571
Inflation	28.2%	23.5%	18.0%	14.0%
Inflation index	128.2%	123.5%	118.0%	114.0%
Accumulated inflation	1	1,282	1,583	1,868

Defence budget: expenditure, revenue, subsidies during the last decade

Budget year	1989	1990	1991	1992	1993	1994	1995	1996	1997
Expenses	49,100	47,600	52,400	53,580	61,216	67,491	67,966	76,937	89,344
REVENUE	1,800	2,600	12,300	8,014	9,066	10,605	8,437	11,346	15,090
Subsidies	47,300	45,000	40,100	45,565	52,150	56,885	59,529	65,590	74,244
Real value of expenditures	49,100	42,690	42,073	33,375	28,245	25,317	20,813	19,831	17,960
Ratio of expenditures to GDP	3.50%	2.80%	2.50%	2.40%	2.20%	1.90%	1.70%		
Ratio of expenditures to state budget	7.50%	7.10%	6.10%	5.80%	5.80%	5.10%	4.40%		

Inflation	11.5%	11.7%	28.9%	35.0%	23.0%	22.5%	18.8%	28.2%	23.5%
Inflation index	111.5%	111.7%	128.9%	135.0%	123.0%	122.5%	118.8%	128.2%	123.5%
Accumulated inflation index	100.0%	1.12%	1.25%	1.61%	2.17%	2.67%	3.27%	3.88%	4.97%

Ratio of defence expenditures to GDP

Budget year	1988	1989	1990	1991	1992	1993	1994
Ratio of expenditure to GDP	3.50%	2.80%	2.52%	2.32%	2.23%	2.05%	1.77%
GDP					2,308,000.0	2750000.0	3,300,000.0
Centr.Budg.main expend.fig.			642,300.0	838,800.0	1,189,637.2	1466218.2	1,800,220.0
Main figure GDP			30.88%	36.34%	43.26%	44.43%	45.50%

Ratio of defence expenditures to the main expenditure figures of the state budget

Budget year	1988	1989	1990	1991	1992	1993	1994
Ratio				8.16%	6.39%	5.15%	4.60%
Expenditures	49,100	47,600	52,400	53,580	61,216	67,491	67,966

Distribution of the defence budget between operations and accumulation expenditure

Budget year	1988	1989	1990	1991	1992	1993	1994
Acc, Expend..	20,700	14,600	12,900	9,158	9,338	8,001	5,047
Operations budget	28,400	33,000	39,500	44,422	55,200	59,490	60,757
Expenditures	4,910	47,600	52,400	53,580	61,216	67,491	67,966
Revenue	1,800	2,600	12,300	8,014	9,066	10,605	10,605
Renovation	4,000	3,700	2,500	3,147	2,558	2,411	2,411
Other institutional accumulation	11,300	5,700	5,800	2,474	3,322	3,089	3,089
Construction	5,400	5,200	4,600	3,537	3,458	2,500	2,500
Operations budget	28,400	33,000	39,500	44,422	55,200	59,490	60,757

Distribution of the defence budget between operations and accumulation expenditure

Budget year	1988	1989	1990	1991	1992	1993	1994
Accumulation Expenditures	20,700	14,600	12,900	9,158	9,338	8,001	5,047
Operations budget	28,400	33,000	39,500	44,422	55,200	59,490	60,757

Among accumulation expenses, the table also contain the total value of incoming technical equipment in exchange for Russian state debt.

Defence expenditures in the past (Data in HUF thousands)

Defence expenditure	1949	1950	1951	1952	1953	1954
National revenue	37,703,800	4,5487,800	52,220,300	65,799,580	75,341,495	85,523,900
State budget	1,2,016,467	21,991,651	30,929,414	44,059,171	49,027,976	43,980,136
Defence expenditure	3,294,844	4,186,000	6,007,000	9,692,000	10,054,000	5,264,000

The budget of the HHDF (1953-1960)

	Budget appropriation	Modification	Modified budget	Spent	Expenditure in
1953	9,570,684,000	605,842,000	8,964,842,000	8,454,760,000	94.3%
1954	6,108,133,000	892,869,000	5,215,264,000	4,913,360,000	94.2%
1955	4,587,800,000	259,978,000	4,327,822,000	4,225,187,858	97.6%
1956	4,085,000,000	152,109,000	3,932,891,000	3,314,082,878	84.2%
1957	1,911,600,000	37,400,000	1,949,000,000	1,948,384,000	99.9%
1958	2,078,000,000	19,225,000	2,058,775,000	2,027,361,000	98.4%
1959	2,808,604,000	255,475,000	2,553,129,000	2,520,735,000	98.7%
1960	3,100,000,000				

The budget of the HHDF (1961-1966)

	1961	1962	1963	1964	1965	1966
Wages of officers, NCOs and civilians	813,192	883,972	983,192	1,116,176	1,144,863	1,160,000
Other wages	8,924	9,762	11,236	13,103	11,977	10,000
Personnel expenses	53,936	67,269	77,045	75,448	73,558	70,000
Social subsidies	25,036	27,682	30,483	34,422	46,237	10,000
Operation expenditures	24,485	32,339	41,840	9,424	2,996,255	1,520,000
Services	79,821	106,055	99,904	111,321	195,347	190,000
Support					174,279	160,000
Renovation					283,621	340,000
Purchase of material assets						1,480,000
Total expenditures	1,005,394	1,127,079	1,243,700	1,357,894	4,926,137	5,060,000

Weapons

45 of the units of the Hungarian Defence Forces have weapons. (Status of August 1997)

Tanks:		Combat vehicles:	
T-55	597 vehicles	BMP-I	502 vehicles

T-72	238 vehicles	
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Number of convertial weapons in Hungary and its border countries

Tanks

	Hungary	Croatia	Austria	Romania	Serbia-Montenegro	Slovakia	Slovenia	Ukraine
T-34	0	17	0	0	0	0	0	0
T-54	0	0	0	0	407*	0	0	0
T-55	697*	0	0	822	***	206	46	182
T-55A	0	139	0	0	0	0	0	0
T-62	0	0	0	0	0	0	0	1
T-64	0	0	0	0	0	0	0	2,216
T-72	138	0	0	30	0	272	0	1,305
T-80	0	0	0	0	0	0	0	322
TR-85	0	0	0	315	0	0	0	0
TR-850	0	0	0	208	0	0	0	0
M-47	0	1	0	0	0	0	0	0
M-48	0	30	0	0	0	0	0	0
M-60	0	0	170	0	0	0	0	0
M-84	0	0	0	0	232	0	44	0
Total	835	187	170	1,375	639	478	90	4,026

*Data does not contain the number of T-55 and T-55 AM models, thus we have listed them all under

T-55

**The distribution of the 407 armored vehicles (T-54, T-55) is unknown

***According to Slovakian reports, the number of Ukrainian tanks totals 403 vehicles.

Combat equipment allowed for Hungary in accordance with the CFE treaty (1977)

National Level	Allowed	Existing	Extra	Lacking
Tanks	835	835	-	-
Combat vehicles	1,700	1,442	-	258
Artillery pieces	840	840	-	-
Tactical fighters	180	141 *	-	39
Combat helicopters	108	59	-	49

*Of these, 60 have been retired from service. All the SZUs and MIG-23s are in warehouses

Heavy armed combat vehicles in Hungary and its border countries

	Hungary	Croatia	Austria	Romania	Serbia-Montenegro	Slovakia	Slovenia	Ukraine
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JaPzK	0	0	239	0	0	0	0	0
SU-100	0	0	0	66	0	0	0	0
Total	0	0	239	66	0	0	0	0

APCS in Hungary's territory

	Hungary	Croatia	Austria	Romania	Serbia-Montenegro	Slovakia	Slovenia	Ukraine
BMP-1	491	0	0	0	0	383	0	1,073
BMP-1 K	11 *	0	0	0	0	0	0	490
BMP-2	0	0	0	0	0	93	0	1,403
BMP-3	0	0	0	0	0	0	0	4
MLI -84	0	0	0	178	0	0	0	0
M 80	0	75	0	0	517	0	62**	0
BMD-1	0	0	0	0	0	0	0	41
BMD-2	0	0	0	0	0	0	0	78
Total	502	75	0	178	517	476	62	3,089

* 11 BRM-IK are in permanent storage.

** Slovenia has announced that it has 87 vehicles. The remainder include 16 BRDM-2 reconnaissance vehicles and the 9 SP AA 20 air defence guns, none of which fall under the CFE treaty.

Armored cagier vehicles in Hungary and its border countries

	Hungary	Croatia	Austria	Romania	Serbia-Montenegro	Slovakia	Slovenia	Ukraine
PSZH D-944	858	0	0	0	0	0	0	-
MTLB	30	0	0	0	0	0	0	-
BTR-D	0	0	0	0	0	0	0	42
BTR-60	0	0	0	0	0	0	0	231
BTR-70	0	0	0	0	0	0	0	1,108
BTR-80	150	0	0	0	0	0	0	449
OTM-60 PB	0	18	0	0	0	0	0	0
SPzA1	0	0	285	0	0	0	0	0
MLVM	0	0	0	88	0	0	0	0
TAB-71	0	0	0	1,140	0	0	0	0
TAB-77	0	0	0	168	0	0	0	0
OT-90	0	0	0	0	0	207	0	0
M-60	0	0	0	0	112	0	0	0

Total	1,038	18	285	1,829	112	207	0	1,830
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Total armored combat vehicles

Hungary	Croatia	Austria	Romania	Serbia-Montenegro	Serbia-Montenegro	Serbia-Montenegro	Ukraine
1540	93*	524	2,073	629	683	87 -	4,919**

*Military Balance 1995-1996 speaks of 232 armored vehicles, of these 22 are probably reconnaissance vehicles.

** According to a Slovakian report, Ukraine had 4,896 armored combat vehicles as of 1/1/1996.

Cannons, howitzers (over 100 mm)

	Hungary	Croatia	Croatia	Romania	Serbia-Montenegro	Slovakia	Slovenia	Ukraine
2S1	0	0	0	6	75	0	8	644
2S1 SP How	151	3	0	0	0	49	0	0
2S3	0	0	0	0	0	0	0	501
2S5	0	0	0	0	0	0	0	24
2S7	0	0	0	0	0	0	0	99
2S9	0	0	0	0	0	0	0	64
2S19	0	0	0	0	0	0	0	40
M-1	0	13	0	0	0	0	0	0
M-2	0	14	0	0	0	0	8	0
M-30 How	230	0	0	258	0	0	0	3
D-20 G/H	302	13	0	0	0	0	0	224
T-12	0	73	0	0	0	0	0	0
M-56	0		0	0	174	0	0	0
M-56A How	0	26	0	0	0	0	0	0
M-2A1	0	56	0	0	0	0	0	0
M-38	0	32	0	0	0	0	0	0
D-30 How	0	18	0	0	132	76	0	406
M-77 DANA	0	0	~ 0	0	0	135	0	0
M-46 G u n	0	54	0	0	180	0	0	0
M-84	0	14	0	0	0	0	0	0
M 10 SP How	0	0	37	0	0	0	0	0
M101 A1	0	0	21	0	0	0	0	0
M 101 A2	0	0	87	0	0	0	0	0

M 109 A2	0	0	102	0	0	0	0	0
M 114	0	0	24	0	0	0	0	0
Gun 82	0	0	0	90	0	0	0	0
How 81	0	0	0	324	0	0	0	0
How 85	0	0	0	108	0	0	0	0
SP How 89	0	0	0	42	0	0	0	0
Skoda How	0	0	0	12	0	0	0	0
Skoda 1914 34	0	0	0	8	0	0	0	0
. ML 20	0	0	0	54	0	0	0	8
2A36	0	0	0	0	0	0	0	289
2A65-	0	0	0	0	0	0	0	186
2B16	0	0	0	0	0	0	0	2
Other	0	0	0	0	225	0	30	0
Total	683	320	271	902	786	260	46	2,490

MRLs

	Hungary	Croatia	Austria	Romania	Serbia-Montenegro	Slovakia	Slovenia	Ukraine
BM 21	56	22	0	0	0	0	0	373
M-63	0	6	0	0	48	0	4	0
RAk-W	0	0	18	0	0	0	0	0
APR-40	0	0	0	201	0	0	0	0
RM-70	0	0	0	0	0	87	0	0
M-71	0	0	0	0	0	0	56	0
9 P 138	0	0	0	0	0	0	0	24
BM-13	0	0	0	0	0	0	0	5
9P140	0	0	0	0	0	0	0	139
9A52	0	0	0	0	0	0	0	95
M-77	0	0	0	0	24	0	0	0
M-91	0	88	0	0	0	0	0	0
Total	56	116	18	201	72	87	60	636

Mortars

	Hungary	Croatia	Austria	Romania	Serbia-Montenegro	Slovakia	Slovenia	Ukraine
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2S12	0	0	0	0	0	0	0	347
M-160	0	0	0	0	0	0	0	2
PM-38	0	0	0	0	0	0	0	252
M-52	0	0	0	0	0	0	72	0
M-74	0	185	0	0	0	0	0	0
M-75	0	476	0	0	0	0	0	0
M-11982M	0	0	0	0	0	36	0	0
M1982	0	0	0	368	0	0	0	0
GrWM2	0	0	67	0	0	0	0	0
GrwM30	0	0	32	0	0	0	0	0
GrW 60	0	0	49	0	0	0	0	0
GrW86	0	0	195	0	0	0	0	0
UB M-52	0	59	0	0	0	0	0	0
M 120 38/43	101	0	0	0	0	0	0	0
other 82 mm	0	0	0	0	566	0	0	0
other120 mm	0	0	0	0	1,700	0	0	0
Total	101	720	343	368	2,266	36	72	601

Total artillery pieces

Hungary	Croatia	Austria	Romania	Serbia-Montenegro	Slovakia	Slovenia	Ukraine
840	1,152	632	1,471	3,124	383	178	3,727

Combat aircraft

	Hungary	Croatia	Austria	Romania	Serbia-Montenegro	Slovakia	Slovenia	Ukraine
MIG-17	0	0	0	10	0	0	0	0
MIG-21	93	6	0	220	97	65	0	0
MIG-23	11	0	0	38	0	0	0	175
MIG-25	0	0	0	0	0	0	0	49
MIG-27	0	0	0	0	0	0	0	47
MIG-29	28	0	0	18	16	16	0	205
SU-15	0	0	0	0	0	0	0	46
SU-17	0	0	0	0	0	0	0	51
SU-22	12	0	0	0	0	20	0	0

SU-24	0	0	0	0	0	0	0	251
SU-25	0	0	0	0	0	13	0	34
SU-27	0	0	0	0	0	0	0	67
F-105	0	0	29	0	0	0	0	0
J-35	0	0	24	0	0	0	0	0
IAR-93	0	0	0	75	0	0	0	0
TU-22	0	0	0	0	0	0	0	37
TU-22M	0	0	0	0	0	0	0	46
IL-28	0	0	0	12	0	0	0	0
Other	0	0	0	0	169	0	0	0
Total	144	6	53	373	282	114	0	1,080

Attack Helicopter

	Hungary	Croatia	Austria	Romania	Serbia-Montenegro	Slovakia	Slovenia	Ukraine
Mi-24	59	4	0	0	0	19	0	228
Mi-24 R, K	0	0	0	0	0	0	0	42
AB-204	0	0	8	0	0	0	0	0
AB-206	0	0	11	0	0	0	0	0
AB-212	0	0	23	0	0	0	0	0
ALOU-ETTE III	0	0	24	0	0	0	0	0
OH-58	0	0	11	0	0	0	0	0
IAR-316	0	0	0	16	0	0	0	0
Gazella and Mi-8*	0	0	0	0	110	0	0	0
AB-109	0	0	0	0	0	0	1	0
B-206	0	0	0	0	0	0	2	0
B-412	0	0	0	0	0	0	8	0
Total.	59	4	77	16	110	19	11	270

Reduction data of signatory countries to the Budapest Agreement

Method of reduction	tank (pc%)	APC (pc 50%)	artillery (pc %)	comb.aircraft (pc %)	attack heli. (pc %)	Total. (pc %)
destroyed	5,545	3,861	5,755	285	0	15,446
97	97.77	98.05	73.64	0	97.01	

accident	1	1	3	26	0	31
0.017	0.025	0.051	6.71	0	0.194	
on display	40	27	111	38	0	216
0.69	0.68	1.89	9.81	0	1.35	
ground target	130	60	0	0	0	190
2.27	1.51	0	0	0	1.19	
ground training	0	0	0	11	0	11
0	0	0	2.84	0	0.16	
reclassified	0	0	0	27	0	27
0	0	0	6.97	0	0.16	
Total	5,716	3,949	5,869	387	0	15,921

Aggregate data on reduction in countries of NATO, the Tashkent and the Budapest Agreements

Country group	tanks	APC	artillery	combat aircraft	attack helicopters	total
NATO	6,692	6,448	2,843	335	219	16,537
Budapest Agreement	5,716	4,077	5,869	387	0	16,049
Tashkent Agreement	6,834	8,416	704	1,705	99	17,758
Total	19,242	18,941	9,416	2,427	318	50,344

NATO	Budapest Agreement	Tashkent Agreement
USA	Bulgaria	Kazakhstan
Belgium	Czech Republic	Moldavia
Denmark	Poland	Russia
France	Hungary	Georgia
Greece	Romania	Ukraine
The Netherlands	Slovakia	
Iceland		
Canada		
Luxembourg		
Great Britain		
Germany		
Norway		

Assets destroyed by the HHDF (from 1992)

484 tanks destroyed

6 tanks put on public display

20 tanks used as ground targets
 202 APCs destroyed
 10 used as ground targets
 202 artillery pieces destroyed
 4 used as ground targets
 21 combat aircraft destroyed
 2 used as ground targets
 5 lost through accidents

Weaponry and major technical equipment of the HHDF (1949-1954)

Weapons	10/1/1949	10/1/1950	10/1/1951	1952	1953	1954	1955
pistols required	11,400	41,110	55,723	57,931	60,655	63,688	66,720
pistols possessed	16,707	16,707	33,536	55,723	57,931	60,655	63,688
submachine guns required	13,400	33,178	45,188	47,690	48,538	49,589	55,723
submachine guns possessed	12,833	12,833	30,411	45,188	47,690	48,538	61,700
rifles required	40,970	109,878	168,260	171,422	175,323	179,700	184,080
rifles possessed	38,892	38,892	11,723	168,260	171,422	175,323	179,700
carbines required	670	15,954	15,954	15,954	15,954	15,954	15,954
carbines possessed	670	670	15,954	15,954	15,954	15,954	55,723
telescopic rifles required	1,001	3,526	4,584	4,584	4,584	4,584	4,584
possessed	2,360	2,360	3,524	4,584	4,584	4,584	4,584
machine guns required	1,300	4,240		5,455	5,455	5,455	5,455
machine guns possessed	1,568	1,568	4,131	5,455	5,455	5,455	5,455
antitank guns required	745	2,360	3,103	3,128	3,128	3,128	4,131
antitank guns possessed	751	751	2,254	3,103	3,128	3,128	4,131
12,7 mm AAMG required	123	279	363	363	363	363	363
12,7 mm AAMG possessed	72	72	302	363	363	363	363
37 mm shell guns required	92	178	284	338	410	482	554
37 mm shell guns possessed	84	84	178	284	338	410	482
45 mm antitank guns required	62	192	246	246	246	246	246
45 mm antitank guns possessed	108	108	196	246	246	246	246
57 mm AA guns required		163	213	213	213	213	213
57 mm AA guns possessed			179	213	213	213	45,188
76.2 mm antitank weapons required	209	369	467	467	573	573	573
76.2 mm antitank weapons possessed	204	204	349	467	467	573	573
82 mm mortars required	316	826	1,051	1,051	1,051	1,051	1,051
82 mm mortars possessed	269	269	826	1,051	1,051	1,051	1,051
85 mm antitank weapons required		64	100	100	100	100	100

possessed			70	100	100	100	
85 mm AD guns required	54	158	350	554	770	1,010	
possessed	36	36	174	350	554	770	627
120 mm mortars required	109	217	255	255	255	255	
possessed	110	110	217	255	255	255	
122 mm howitzers required .	113	349	497	545	545	653	
possessed	72	72	363	497	545	545	
122 mm guns required		32	32	32	32	32	
possessed		35	35	35	35	14	
152 mm howitzers required	16	108	156	156	156	156	
possessed	24	24	119	156	156	156	
152 mm howitzers required		14	56	56	56	56	
possessed			16	56	56	56	
160 mm mortars required		48	6	64 ~	64	64	
possessed			5	64	64	64	
203 mm howitzers required		8	24	24	24	24	
possessed		8	9	24	24	24	

* In 1956, carbines and rifles were counted as one

** 37 mm and 57 mm AA guns, *** 85 mm and 100 mm/AA guns.

Weapons	10/1/1949	10/1/1950	10/1/1951	1952	1953	1954	1955
M-13 MRL required		72	116	116	116	116	
possessed			80	116	116	116	
M-31 MRL required		4	32	32	32	32	
possessed			5	32	32	32	
76.2 mm self prop. Guns required	32	84	108	108	108	108	
possessed	32	32	96	108	108	108	
85 mm antitank weapons required	149	405	704	704	704	704	
possessed	136	136	445	704	704	704	
85 mm self propelled guns required		134	142	142	142	142	
possessed			147	142	142	142	
heavy tank weapons required		37	44	44	44	44	
possessed			41	44	44	44	
100 mm and larger assault guns require	d	51	137	189	189	189	
possessed			58	137	189	189	

Weapons 1.

Small arms	10/1/1948	10/31/1950	7/1/1951	7/1/1952	7/1/1954	7/1/1956
rifles and carbines required	26,133	66,651	69,613	82,949	64,955	52,226
possessed		63,069	73,011	86,109	104,689	55,726
level in %		94.6	104.9	103.8	161.2	106.7
submachine guns required	3,048	19,899	20,347	43,780	50,656	55,882
possessed		19,528	20,911	43,932	64,517	61,713
level in %		98.1	102.8	100.3	127.4	110.4
machine guns required	775	1,081	1,045	4,937	4,830	4,279
possessed		959	1,057	4,259	6,701	4,486
level in %		88.7*	101.1 *	86.3	138.7	104.8

*In 1950, the numbers of weapons were given without the stocks counted

Weapons 2.

Tanks	10/1/1948	10/31/1950	7/1/1951	7/1/1952	7/1/1954	7/1/1956	1/1957
heavy tanks required		86	78	128	80	68	
possessed		66	68	69	68	68	68
level in %		76.7	87.2	53.9	85.0	100.0	
T-34 tanks required		401	410	482	519	777	
possessed	15	111	341	347	339	451	439
level in %		27.7	83.2	72.0	65.3	58.0	
76 mm assault guns required		148	167	178	186	284	
possessed	8	121	136	137	135	146	117
level in %		81.8	81.4	77.0	72.6	51.4	
122 mm assault guns required	49	38	109	90	0		
possessed		31	32	32	32	22	32
level in %		63.3	84.2	29.4	35.6		
total required		684	693	897	795	1129	
possessed	23	329	577	585	574	687	656*
level in %		48.1	83.3	65.2	72.2	60.8	

* The HHDF lost approx. 20 tanks up until November 4, 1956. At that time, 31 tanks and assault guns were in an unknown location, that is to say that the Soviet troops took away 50 pieces from the 656 at disposal to cover their losses and to perform patrol duties

Weapons 3.

Aircrafts	10/1/1948	10/31/1950	7/1/1951	7/1/1952	7/1/1954	7/1/1956	1/1957
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delivery aircraft required			16	27	29		
possessed			31/8	32/5	21		
level in %			243.8	137.0	72.4		
fighters required			110	157	35/197	290	381
possessed			6/29	79.14	31.134	216	158
level in %			31.8	59.2	88.6/68.0**	74.5	41.5
fighters required			53	147	148	161	0
possessed			25/7	29/6	20	,113	101
level in %			60.4	238.0	13.5	70.2	
bombers required			23	57	85	58	9
possessed			0	0	0	58	2
level in %			0	0	0	100.0	22.2
training aircraft required			160	138	196/26	261	204
possessed			60/14	82/16	90/13	174	175
level in %			46.3	71.0	45.9/50.0***	66.7	85.8
transport aircraft required			6	8	38		
possessed			511	11/1	17		
level in %			100.0	150.0	44.7		
total required		318	368	534	754	770	594
possessed	43*	249	127/59	233/42	326	561	436
level in %		78.3	50.5	51.6	43.2	72.9	73.4

*43 aircraft for training

** first numbers denote the operational, second numbers those that are grounded

***first numbers show jet propulsion, second numbers propeller-driven planes

National Air Defence and its weapons (1949-1954,1950,1952,1956,1959)

Armaments	1950 OLP	1952 LEP	1956 OLP	1959 LEP	OLLEP	OLP
12.7 mm AD gun						0
37 mm AD gun	61		252		252	24
57 mm AD gun						16
85 mm AD gun	81		352		474	16
100 mm AD gun						16
total weapons	145		604			78
fighter aircraft		106		232	380	76
bombers				85	9	
ground attack aircraft		50		145		
transport planes		4		38	12	4

helicopters						1
Other aircraft		138		250	192	62
aircraft total		298		750	593	143
recon. radar						26
fire control radar						10
total radar						36

OLP - National AD Command

LEP - AF Command

OLLEP - National AD and AF Command

Portion of army surplus equipment in Hungary at the HHDF (1996)

20 tons of gun powder

1,700 tons of explosives 700 APCs

150 usable but surplus APCs

5 thousand vehicles phased out

1800 tons of polluting and hazardous materials

86 combat aircraft

100 thousand machine guns

100 thousand other small arms

History of Defence-related Legislation

1945-1950

The army is governed by Act II of 1939. (typical tools include decrees and executive orders). The Ministry of Defence has its own legal department. Act XX of 1949 in accordance with the Constitution re-regulates questions of the 1939 Act related to obligations of defence. Legal regulations are severely curtailed. Law is replaced by internal ministerial and senior military officers' orders and commands. Written statutes are replaced by oral ones. The portfolio does not have its own legal organization. The Soviet-type transformation of the military is done in an increasingly arbitrary manner as legal guarantees "fade away." Service status of professional soldiers is regulated by a decision in 1959. No legal recourses.

1970-1980

Legislative activity strengthens. As a result, a Law Decree in 1971 regulates the service status of professional soldiers. The new act on National Defence is passed in 1976 along with ministerial and ministerial council executive orders.

1980-1990

Legal and administrative activity becomes more widespread throughout the entire army. Ministerial orders are replaced by ministerial decrees. Commanders at military organizations are assisted by officers with legal expertise and knowledge. The Ministry of Defence serves not as a public administration organ but under the "command of the HHDF."

From 1990 to date

Legislative boom as a result of democratic control. Intent to realize principle of the "citizen in

uniform.” Amendments to the Constitution, new military doctrines, a new Act on National Defence in 1993 and, by 1996, the Act on the service of professionals in the armed forces’ is drafted and the status of students in military education institutes is settled. A series of government and parliamentary decisions characterize the long reform process. In addition to legislation, dozens of ministerial orders and approximately three thousand orders by chiefs are issued in order to set standards. Some of these are already out of date.

Number of people sentenced by military courts according to sentence and crime committed (1951-1954)

	1951	1952	1953	1954 1st half
Sentenced by military courts	9,180	6,580	4,681	1,852
Of these				
soldiers	6,434	4,329	2,882	1,229 (2,894)*
officers	767	527	410	407
NCOs	1,088	868	671	608
combatants	4,579	2,934	1,801	1,879
Prison	6,187	3,997	2,753	2,792
Capital punishment	20	14	18	3
Fine	227	318	111	99
Suspended	no data	624	341	572

*A total of 2,894 soldiers were sentenced by courts in 1954

Crimes against the People’s Republic and the State

Courts	1956-1957	1958	1959	1960	1961	1962	1963	Total
Conspiracy against the state	646	n.a.	59	60	12	1	n.a.	778
Mutiny	-	n.a.	-	-	-	5	n.a.	5
Incitement	38	n.a.	14	7	29	14	n.a.	102
High treason	43	n.a.	48	34	58	29	n.a.	212
Concealment of weapons	378	n.a.	33	29	35	5	n.a.	480
Desertion abroad	-	n.a.	31	27	37	25	n.a.	110
Crimes against defence interests	-	n.a.	19	87	90	27	n.a.	223
Other	-	n.a.	72	49	28	11	n.a.	160
Total	1,105	672	276	293	279	117	13	2,755

Age of those sentenced (1956-1957)

	Budapest Mil. Court	Debrecen Mil. Court	Győr Mil. Court	Kaposvár Mil. Court	Szeged Mil. Court	Total
under 18	14	9	-	-	2	25

18 - 20	42	13	1	3	5	64
20 - 25	64	12	5	4	27	112
25 - 30	53	9	5	4	30	101
30 - 40	37	2	2	6	9	56
40 - 50	23	-	1	5	5	34
over 50	5	1	1	1	3	11
Total	238	46	15	23	81	403

Background of those sentenced (1956-1957)

	Budapest Mil. Court	Debrecen Mil. Court	Győr Mil. Court	Kaposvár Mil. Court	Szeged Mil. Court	Total
workers	88	17	6	4	24	139
farmers	80	12	6	14	43	155
intellectuals	3	-	-	-	2	5
foreigners	-	1	-	8	-	
other	67	16	3	5	4	95
total	238	46	15	23	81	403

Length of sentence (1956-1957)

	Budapest Mil. Court	Debrecen Mil. Court	Győr Mil. Court	Kaposvár Mil. Court	Szeged Mil. Court	Total
Life	2	-	-	-	-	2
15 yr	29	8	2	1	18	58
14 yr	1	1	1	4	8	15
13 yr	7	-	1	1	5	14
12 yr	32	5	3	5	20	65
11 yr	7	-	-	-	1	8
10 yr	92	14	5	5	18	134
9 yr	1	-	-	-	-	1
8 yr	3	-	-	-	-	3
7 yr	4	3	-	-	1	8
6 yr	4	3	-	-	-	7
5 yr	14	5	-	-	1	20
Total	196	39	12	16	72	335

Number of sentences in different crime categories

Courts	1956-1957	1958	1959	1960	1961
Sentenced for military crimes	n.a.	416	630	573	835
Crimes against the state	1015	672	276	293	279
Crimes against the administration	n.a.	63	186	139	201
Crimes against public and legal administration	n.a.	-	-	-	-
Crimes against public order	n.a.	-	-	-	-
Economic crime	n,a,	11	308	321	332
Crimes against family, youth and sex	n.a.	21	34	21	45
Crimes against persons	41*	182	331	336	334
Crimes against public assets	*	200	71	87	113
Total	1,622	1,565	1,836	1,770	2,139

Those sentenced by first instance at military courts (1956-1957)

Courts	Statutory	Normal	1958	1959	1960
Budapest Military Court	302	n.a.	1,450	1,054	992
Debrecen Military Court	~ 56	n.a.	370	281	267
Győr Military Court	18	n,a,	399	286	300
Kaposvár Military Court	31	n,a,	311	266	176
Szeged Military Court	104	n,a,	432	259	439
Total	511	2,167	2,962	2,246	2,174

Cases closed by first instance military courts (1956-1957)

Courts	Statutory	Normal	1958	1959	1960
Budapest Military Court	192	n.a.	851	676	687
Debrecen Military Court	24	n,a,	226	197	198
Győr Military Court	11	n,a,	267	196	205
Kaposvár Military Court	12	n,a,	201	206	144
Szeged Military Court	63	n,a,	280	261	353
Total	302	1,275	1,825	1,536	1,587

Decisions in statutory cases (1956-1957)

	Budapest Mil. Court	Debrecen Mil. Court	Győr Mil. Court	Kaposvár Mil. Court	M
Transferred to normal process	51	10	1	7	

Relieved in the absence of crime	-	-	2	1	
Sentenced	238	46	16	23	
For concealing weapons	231	43	14	19	
For manslaughter	2+1	1	1	2	
For first degree murder	4+1	2	-	-	
For damaging public works	-	-	-	-	
For theft	1 +2 .	-	-	-	
Capital sentence	42	7	3	7	
Executed within two hours	15	5	2	2	
Clemency plea	27	1	1	5	
Rejected by Presidential Council	11	1	-	3	
Converted to life imprisonment	8	-	-	1	
Converted to 15 year sentence	8	-	1	1	
Postponed because process reopened	-	1	-	-	

Capital punishment sentences according to crime category (1956-1957)

	Budapest Mil. Court	Debrecen Mil. Court	Győr Mil. Court	Kaposvár Mil. Court	M
For concealing weapons	38	4	2	5	
For manslaughter	2+1	1	1	2	
For first degree murder	2+1	2	-	-	
For theft	-	-	-	-	
Total	42+1	7	3	7	

Agreements and the Distribution of Forces

Treaties concluded in 1996 and 1997 1st half

Country	Title	Date
AUSTRIA	in cooperation in military aviation	01.26.1996
DENMARK	on defence relations	04.16.1996
UNITED KINGDOM	on defence-technical cooperation	03.17.1997
THE NETHERLANDS	on the exchange of information and cooperation	
	in defence research and technologies	12.04.1996
CROATIA	on military relations	05.17.1996
YUGOSLAVIA	on ties between ministries	10.29.1996

NORWAY	on defence ties and cooperation	09.02.1996
GERMANY	defence technology cooperation	10.31.1996
PORTUGAL	on defence cooperation	10.07.1996
ROMANIA	in supplement to the 1994 Vienna Agreement	
	of the OSCE on confidence and security building	
	measures.and the development of military ties	09.06.1996
ROMANIA	mutual protection of classified military information	02.17.1997
ROMANIA	mutual carte of military graves	04.21.1997
SLOVAKIA	expansion of cooperation	02.24.1997
SLOVENIA	military cooperation in aviation and air defence	07.10.1997

Number of ground forces in Europe

Country	Permitted numbers	Country	Permitted numbers
USA	250,000	Luxembourg	900
Azerbaijan	70,000	Hungary	100,000
Belgium	70,000	Moldavia	20,000
Belarus	100,000	Great Britain	260,000
Bulgaria	104,000	Germany	345,000
Czech Republic	93,333	Norway	32,000
Denmark	39,000	Italy	315,000
France	325,000	Russia	1,450,000
Greece	158,621	Armenia	60,000
Georgia	40,000	Portugal	75,000
The Netherlands	80,000	Romania	230,000
Iceland	0	Spain	300,000
Canada	10,660	Slovakia	46,667
Kazakhstan	0	Turkey	530,000
Poland	234,000	Ukraine	450,000

Aggregate list of the size of armed forces after 1 January 1996.

Ranking	Country	Ranking	Country
1.	Belarus	12.	Norway
2.	Czech Republic	13.	Great Britain
3.	Hungary	14.	Moldavia
4.	The Netherlands	15.	France

5.	Bulgaria	16.	Italy
6.	USA	17.	Poland
7.	Russia		Portugal
	Ukraine		Romania
8.	Denmark	18.	Azerbaijan
9.	Belgium	19.	Spain
	Greece	20.	Turkey
10.	Slovakia	21.	Canada
11.	Germany	22.	Armenia

Armed forces staff

	Hungary	Croatia	Austria	Romania	Serb.-Mont.	Slovakia	Slovenia	U
ground forces	30,083	48,800	41,615	129,785	90,000	24,118	-	1
aviation and air defence	16,308	1,850	7,961	47,647	29,000	12,196	-	
central staff and commanders	775	700	0	2,906	0	20,822	-	
centrally subordinated troops	18,780	6,000	-	5,272	-	7,436	-	
ground-based units	-	-	-	455	900	-	-	
UN service	105	-	-	910	-	641	-	
other military organization	-	-	-	12,070	-	-	-	
numbers under control	66,051	57,350	49,576	199,045	119,900	46,473	-	4
reported numbers	66,051	56,500	65,622	228,460	126,500	45,832	4,210	4

Assets owned by countries of the Budapest Agreement

Country	Tanks	APC	Artillery	Combat aircraft	Attack helicopters	Per
Bulgaria	1,475	1,985	1,750	235	44	
Czech Republic	953	1,363	767	187	36	6
Poland	1,721	14,555	1,581	400	92	2
Hungary	835	1,540	840	144	59	
Romania	1,375	2,073	1,471	373	16	2
Slovakia	478	683	383	114	19	
Total	6,837	9,009	6,792	1,453	266	7

Fixed quota of the Budapest Agreement

	Tanks	APC	Artillery	Combat aircraft	Attack helicopters
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Bulgaria	1,475	2,000	1,750	235	67
Czech and Slovak Republics	1,435	2,150	1,150	345	75
Poland	1,730	2,150	1,610	460	130
Hungary	835	1,700	840	180	108
Romania	1,375	2,100	1,475	430	120
Soviet Union	13,150	20,000	13,175	5,150	1,500
Total	20,000	30,000	20,000	6,800	2,000

Color changes of the military uniform

I. Civilian clothing with military supplements	896-XVI. century
II. Color uniforms*	from XVI.th century -1909
III. Gray uniform*	1909-1916
IV. Field gray uniform*	1916-1920
V. Field brown uniform*	1920-1951
VI. Olive green uniform**	1951-1957
VII. Field brown uniform*	1957-1965
VIII. Olive green uniform**	1965-1993
IX. Field color**	1993-

***wool**

****cotton and acrylic**

Clothing procurement by the HHDF 1973-1996

Field uniform

jacket	4,080,000 pc
trouser	5,316,000 pairs
shirt	4,800,000 pc
winter socks	6,960,000 pairs
summer socks	5,000,000 pairs
T- shirt	5,280,000 pc
underwear	6,720,000 pairs
winter jacket	2,700,000 pc
winter under shirt	1,920,000 pc
winter underwear	1,920,000 pc
pajamas	1,200,000 pairs
gloves	2,000,000 pairs
Field uniform	
winter field caps	1,800,000 pc
summers field caps	3,600,000 pc
dress uniform	600,000 pc
towels	4,180,000 pc
officer's jacket	300,000 pc

officer's trousers	280,000 pairs
different officer's shirts	528,000 pc
shoes:	
field boots	1,939,000 pairs
dress shoe	1,864,000 pairs
sports shoes	1,655,000 pairs
belt	533,000 pc

Members of the "Honvéd" mutual pension fund (July 1997)

Age group	Female	Male	Total
0-19	14	11	25
20-25	216	616	832
26-30	373	1,367	1,740
31-35	561	1,751	2,312
36-40	955	2,141	3,106
41-45	1,775	2,863	4,638
46-50	1,798	2,702	4,500
51-55	1,070	1,947	3,017
56-60	66	407	473
61-99	6	36	42
Total	6,834	13,841	20,675

NCOs (persons)

Type of discharge	1991	1992	1993	1994	1995	1996	1997*	Total
Retired	868	257	10	178	603	422	229	2,067
for reorganization	612	141	15	34	395	208	173	1,578
In reserve	861	397	281	367	433	617	229	3,166
for reorganization	172	62	13	9	23	252	76	617
Transferred to other armed service	110	71	30	10	22	84	37	364
Deceased	20	15	10	20	14	11	12	102
NCOs discharged total	1,859	740	430	575	1,072	1,134	507	6,317
for reorganization	784	203	28	43	418	460	249	2,175

NCOs (persons)

Education	1991	1992*	1993*	1994*	1995*	1996	1997
elementary	5,868	5,566	5,597	5,465	4,844	4,412	4,341

secondary	2,509	2,794	3,402	3,843	3,939	4,523	4,650
tertiary	91	91	92	66	38	59	54
Total NCOs	8,468	8,451	9,091	9,374	8,821	8,994	9,045

NCOs (persons)

Military education	1991	1992*	1993*	1994*	1995*	1996	1997
none	3,225	3,371	3,932	4,106	3,910	4,279	4,521
NCO school	5,243	5,080	5,159	5,268	4,911	4,715	4,524
Total NCOs	8,468	8,451	9,091	9,374	8,821	8,994	9,045

*Note: in a position at an organization of the HHDF

Education, Culture, Science

Book releases

Year	Books released		Stock of library books (million)	Movie theater visits (million)	Theater visits (million) occasions	Museums (million) occasions
Quantity	Copies (million)					
1938	2,439	9.2	no data	18.5	3.8*	
1950	1,880	20.1	2.2	47.1	3.0	
1960	2,972	34.7	11.1	140.1	6.4	
1970	4,793	47.0	24.7	79.6	5.6	
1980	8,241	94.7	40.7	60.7	5.6	
1985	8,015	88.0	49.4	70.2	6.1	
1986	8,206	95.6	50.8	67.9	6.0	
1987	7,804	97.9	51.8	55.8	5.9	
1988	7,562	99.3	52.6	50.7	5.7	
1989	7,599	108.4	52.9	46.5	5.2	
1990	7,464	113.1	51.6	36.2	5.0	
1991	7,210	91.4	50.4	21.8	5.1	
1992	7,629	81.0	49.6	15.2	4.7	
1993	8,458	72.1	49.1	14.8	4.4	
1994	9,383	70.3	47.9	15.9	4.1	
1995	8,749	63.0	47.1	14.0	4.1	

Source: Central Bureau of Statistics * Theater season No. 11929/30 ** 1935.

Quantity of books sold by type

Type	1980	1988	1989	1990	1991	1992	1993	1994
Scientific literature	878	341	189	124	123	92	139	93
Educational literature	1,307	1,382	1,260	1,281	1,160	991	961	945
Technical literature	3,525	3,131	3,072	2,864	2,816	3,098	3,385	3,776
Fiction	749	970	1,211	1,470	1,310	1,528	1,714	1,950
Juvenal and children's literature	397	332	364	347	385	466	626	682
Textbooks	1,329	1,343	1,369	1,178	1,186	1,250	1,360	1,645
Other literature	56	63	134	200	230	204	273	292
Total	8,241	7,562	7,599	7,464	7,210	7,629	8,458	9,383

Source: Central Bureau of Statistics

Works of the scientific, educational and technical literature by subject matter (book, pamphlet)

Subject matter	Number of works		Print run (millions)	
	1994	1995	1994	1995
General	182	137	1.7	1.6
Philosophy and psychology	330	294	1.7	1.2
Religion and theology	80	84	0.2	0.2
Sociology	1,421	1,210	2.8	2.4
Linguistics and philology	248	254	1.5	1.4
Natural science	245	254	0.7	1.0
Applied sciences	1,208	1,100	4.8	3.9
Art, sports and games	651	534	2.3	1.8
Literary science	254	279	0.5	0.5
Geography and history	633	603	1.7	1.7
Total	5,252	4,849	17.9	15.7

Source: Central Bureau of Statistics

Works of fiction by subject matter

Subject matter	Number of books							Copies printed
	1980	1990	1991	1992	1993	1994	1995	
Poetic works and anthologies	172	219	255	253	291	357	375	
Novels and narratives	427	972	892	1,108	1,243	1,319	1,163	
Theatrical works	64	45	21	14	23	25	23	
Other works of fiction	86	234	142	153	157	249	267	
Total	749	1,470	1,310	1,528	1,714	1,950	1,828	
Of which: Hungarian	378	753	621	628	714	836	903	

Foreign	371	717	689	900	1,000	1,114	925
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Source: Central Bureau of Statistics

Textbooks by level (book, pamphlet)

Textbooks by level (book, pamphlet)									
Subject matter	Number of textbooks								Print run (thou)
1988	1989	1990	1991	1992	1993	1994	1995		
Elementary	292	324	245	312	504	597	766	644	
Intermediate	908	890	858	823	723	754	884	658	
Higher-education and other	198	230	127	98*	63*	58*	57	122	
Total	1,398	1,444	1,230	1,233	1,290	1,409	1,707	1,424	

Source: Central Bureau of Statistics

Trends in the number and copies printed of adapted/translated works (book, pamphlet)

Year	Number	Copies printed (thousand)
1984	1,212	18,615
1985	1,282	18,500
1986	1,207	18,396
1987	1,111	21,417
1988	1,003	22,301
1989	1,107	30,849
1990	1,588	46,502
1991	1,968	38,605
1992	2,158	36,061
1993	2,456	34,162
1994	2,618	31,492
1995	2,432	26,463
1996	2,271	18,917

Source: Central Bureau of Statistics

Trends in the number and copies printed of scientific, educational and technical works (book, pamphlet)

Year	Number	Copies printed (thousands)
1984	7,197	42,606
1985	6,609	39,692
1986	7,160	47,295
1987	6,230	41,589
1988	5,765	41,772
1989	5,277	40,338
1990	4,828	38,614
1991	4,727	31,235

1992	4,793	20,929
1993	4,920	18,042
1994	5,252	17,932
1995	4,849	15,744

Source: Central Bureau of Statistics

Public libraries and cardholders therein

Year	Number of public libraries			Registered cardholders therein (thousands)		
	municipal*	workplace	total	municipal*	workplace	total
1950		1,739	2,594	4,333	224.0	178.6
1960		4,668	5,105	9,773	918.9	708.1
1965		5,403	4,009	9,412	1,551.4	558.1
1970		5,293	3,958	9,251	1,582.6	642.1
1975		5,069	3,213	8,282	1,549.9	661.2
1980		4,915	5,583	10,498	1,600.6	621.0
1981		4,899	5,591	10,490	1,604.5	619.5
1982		4,842	5,430	10,272	1,605.6	609.5
1983		4,809	5,201	10,010	1,626.1	600.4
1984		4,643	4,937	9,580	1,644.7	603.3
1985		4,644	5,003	9,647	1,671.7	589.4
1986		4,566	4,754	9,320	1,660.2	583.2
1987		4,503	4,546	9,049	1,643.0	563.7
1988		4,410	4,321	8,731	1,606.0	521.0
1989		4,284	3,931	8,215	1,534.0	467.0
1990		4,179	3,171	7,350	1,486.0	370.0
1991		4,008	2,577	6,585	1,463.0	301.0
1992		3,870	1,978	5,848	1,418.0	228.0
1993		3,794	1,470	5,264	1,425.0	184.0
1994		3,723	1,004	4,727	1,428.0	156.0
1995		3,648	820	4,468	1,382.0	138.0

Formerly council libraries. Source: Central Bureau of Statistics

Number of libraries

Libraries	1970	1974	1982	1988	1989	1990	1991	1995
Municipal* public libraries	5,293	5,111	4,842	4,410	4,284	4,179	4,008	3,648
Workplace public libraries	3,958	3,185	5,430	4,321	3,931	3,171	2,577	1,004
Special libraries	1,935	1,833	860**	no data	no data	no data	no data	no data

Elementary and high-school libraries	6,027***	5,089	3,781	3,931	3,869	3,882	3,924	3,924
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*Formerly council libraries. ** Libraries functioning only with full-time librarian. *** Without data of vocational schools.

Source: Central Bureau of Statistics

Record releases

Year	Number of records released (units)		Record purchase value per inhabitant (HUF)	CD releases (thousand units)
total (thousand)	per 100 inhabitants			
1952	305	3	no data	-
1960	2,270	23	no data	-
1965	2,110	21	no data	-
1970	2,837	28	8.6	-
1975	3,411	32	10.1	-
1980	7,709	72	37.1	-
1981	9,063	85	45.2	-
1982	8,706	81	46.5	-
1983	8,587	81	40.4	-
1984	7,695	72	42.1	-
1985	7,774	73	35.5	-
1986	7,085	67	no data	-
1987	6,696	64	no data	-
1988	4,973	48	no data	no data
1989	3,664	35	no data	no data
1990	2,132	21	no data	0.62
1991	1,386	13	no data	0.73
1992	1,784	17	no data	0.46
1993	1,729	17	no data	9.55

Source: Central Bureau of Statistics

Number of persons studying instrumental music by institutions (each Academic Year)

Type of institution	1988/89	1989/90	1990/91	1991/92	1992/93	1993/94	1994/95	1995/96
Elementary music school	69,461	71,040	71,508	78,313	85,377	90,927	94,505	100,000
High school	1,727	1,838	1,896	2,009	2,056	2,148	2,168	2,200
Higher education institution	2,130	2,086	2,080	2,098	2,069	2,273	2,390	2,500

Zoltán Kodály Institute for Musical Pedagogy	2,095	2,876	2,468	1,591	1,577	1,694	1,617
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Source: Central Bureau of Statistics

Movie theaters

Year	Number of new features		Ticket sales per visitor (HUF)	Utilization of movie theaters (%)
films shown in total	of which: Hungarian films			
1960	148	17	3.66	65.2
1970	167	24	4.84	41.5
1975	171	19	5.22	39.5
1980	220	26	8.21	34.7
1982	190	26	8.62	40.9
1983	193	26	8.80	40.3
1984	193	33	9.78	41.8
1985	196	30	11.82	42.1
1986	193	27	12.66	42.5
1987	204	33	17.97	38.4
1988	215	35	21.25	36.3
1989	246	38	29.32	43.1
1990	258	31	42.10	no data
1991	218	19	56.40	24.8
1992	190	25	73.17	22.2
1993	178	19	101.00	24.9
1994	176	20	135.00	23.2
1995	143	9	165.00	23.9

Source: Central Bureau of Statistics

Theater

Year	Number of prose pieces featured		Ticket sales per visitor (HUF)
Total	Works of Hungarian writers		
1960	175	58	no data
1970	207	91	19.30
1975	214	74	16.50

1980	250	92	26.00
1983	287	109	32.80
1984	302	117	38.80
1985	312	122	47.40
1986	305	120	54.30
1987	307	125	59.70
1988	290	111	69.40
1989	293	115	78.80
1990	270	115	88.00
1991	248	92	104.70
1992	244	80	140.00
1993	255	94	164.00
1994	no data	no data	223.00
1995	no data	no data	267.00

Source: Central Bureau of Statistics

Summary of movie theater and theater data

Year	Communities with movie theaters (%)	No. of movies theater seats (thousand)	No. of movies theater seats (thousand)	No. of theater seats (thousand)
1960	91.6	718.5	19.8	21.7
1965	96.0	687.3	24.1	20.3
1970	92.1	607.7	21.6	20.3
1975	83.5	581.7	14.9	20.5
1980	82.6	559.4	9.3	20.7
1981	78.8	544.2	9.5	21.3
1982	77.6	543.2	9.1	22.6
1983	76.8	548.9	9.0	22.8
1984	77.1	558.2	7.5	24.2
1985	76.5	557.9	8.8	25.1
1986	72.9	542.8	8.7	24.3
1987	69.9	506.2	8.6	24.3
1988	66.4	462.2	7.9	22.9
1989	55.8	419.7	6.7	23.2
1990	40.9	343.4	6.7	23.5
1991	no data	226.7	6.9	25.9
1992	15.1	188.0	5.7	28.2
1993	13.4	no data	8.8	27.1

1994	13.2	no data	6.6	27.4
1995	13.2	no data	3.4	27.6

Source: Central Bureau of Statistics

Museum and exhibition visitors (thousand persons)

Year	Museums	Exhibitions	Year	Museums	Exhibitions
1950	1,308	no data	1986	19,572	3,672
1960	3,640	491	1987	20,066	3,035
1965	5,596	605	1988	18,335	3,505
1970	7,154	796	1989	16,258	2,307
1975	11,943	625	1990	13,977	2,205
1980	16,217	943	1991	16,217	1,847
1981	17,395	2,426	1992	13,120	2,221
1982	17,717	3,706	1993	9,318.	1,648
1983	18,591	3,503	1994	10,623	1,973
1984	19,200	3,225	1995	9,064	no data
1985	19,360	3,704	1996	9,865	no data

Source: Central Bureau of Statistics

Attendance of some museums

Museum	Visitors (thousand)
Ópusztaszer National Historical Park	517
National Museum, Budapest	447
István Dobó Castle Museum, Eger	404
Museum of Transport, Budapest	397
Benedictine Abbey Museum, Tihany	389
Museum of Ethnography, Budapest	282
National Gallery, Budapest	250
Treasures of the Cathedral, Esztergom	241
Helikon Castle Museum, Keszthely	223
Museum of Fine Arts, Budapest	214
War History Museum, Budapest	210
Outdoor Ethnographic Museum, Szentendre	182
Margit Kovács Ceramics Collection, Szentendre	169
Budapest Historical Museum	145
Castle Museum, Fertőd	133
Pannonhalma Abbey	130
Museum of Agriculture, Budapest	128
Queen Gisella Museum, Veszprém	118
Frigyes Déri Museum, Debrecen	110
Royal Palace Museum, Gödöllő	100

Ferenc Rákóczi Museum, Sárospatak	100
Museum of Applied Arts, Budapest	95
Mátra Museum, Gyöngyös	93
Matthias Church, Buda Castle	no data
Collection of Religious Art, Budapest	90
Zsolnay Ceramics Exhibition, Pécs	77
Amerigo Tot Museum, Pécs	77
Carriage Museum, Parád	73
András Jóna Museum, Nyíregyháza	71
Porcelain Museum, Herend	71
Castle Museum, Esztergom	69
Castle Museum, Siklós	65
Source: Central Bureau of Statistics	

Cultural Institutions

Year	No. of institutions	No. of participants (thousands)		
education al lectures	evening programmes	club meetings		
1965	3,878	no data	no data	no data
1970	3,656	3,748	6,499	4,636
1975	2,805	3,960	7,356	6,009
1980	2,554	3,589	8,017	6,226
1981	2,535	3,521	8,444	6,510
1982	2,533	8,563	8,458	7,008
1983	2,524	3,358	8,177	6,549
1984	2,505	3,230	7,774	5,940
1985	2,497	3,038	8,376	6,014
1986	2,482	3,727	8,324	5,872
1987	2,549	2,356	7,485	no data
1988	2,485	2,049	6,745	no data
1989	2,440	1,745	6,163	no data
1990	2,391	3,535	5,012	no data
1991	2,578	3,182	5,211	no data
1992	2,872	3,180	5,044	no data
1993	2,642	3,595	4,433	no data
1994	2,695	3,174	5,411	no data

1995	2,646	3,319	5,232	no data
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Source: Central Bureau of Statistics

Annual household expenditures on culture, entertainment and recreation, by income categories for 1994

Expenditures	1	2	3	4	5	6	7	8	9	
deciles*										
Total	5,107	5,274	6,728	7,448	7,871	8,330	9,693	11,268	15,099	20,8
Of which:										
Radio	7	10	12	35	39	22	30	23	98	
Television	174	174	390	235	400	315	644	490	801	9
High fidelity equipment	4	20	38	103	3	114	24	69	52	1
VCR	181	140	215	59	147	192	184	230	336	2
Other:										
Consumer electronics										
items	54	117	160	162	183	177	294	297	466	
Camera	3	8	9	28	22	46	52	16	52	
Typewriter, computer	1	13	156	68	32	52	83	489	191	3
Jewellery, art	29	35	77	98	171	111	107	303	355	5
Musical instruments, other	43	7	14	10	55	86	22	51	74	1
Newspapers	581	706	805	934	1,032	1,234	1,402	1,761	1,896	2,2
Books	187	261	202	340	247	376	508	590	1,030	1,3
Textbooks	344	274	290	354	220	449	483	536	575	3
Stationery	324	297	304	347	372	313	280	320	331	3
Sporting goods	108	9	59	55	117	40	84	58	150	1
Toys	410	386	557	465	707	316	272	233	662	5
Records and tapes	32	75	155	116	99	77	67	238	185	5
Photographic articles	99	16	20	91	29	48	56	102	126	1
Other cultural articles	73	78	113	117	155	174	192	160	241	3
TV subscription	1,083	1,297	1,477	1,587	1,811	1,657	1,807	1,958	2,136	2,7
Repair of cultural artic.	107	58	146	258	76	263	356	482	384	3
Tuition	510	239	503	478	256	639	517	476	863	17
Theater or concert	25	118	15	24	71	58	69	94	154	2
Movie	44	48	35	78	45	58	72	125	125	1
Other services	79	190	188	172	236	192	365	198	353	4
Entrance fee	134	180	171	217	258	275	333	411	346	4

Recreation	471	518	617	1,017	1,088	1,046	1,390	1,558	3,117	5,6
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* Ten per cent of the population, ranked on the basis of the amount of per-capita income devoted to personal purposes.

Source: Central Bureau of Statistics

Number of per-capita event visits

Year	Movie	Theater	Concert	Museum	Year	Movie	Theater	Concert
1938	2.06	0.44	no data	0.09	1986	6.45	0.57	0.27
1950	5.04	0.32	0.04	0.14	1987	5.32	0.56	0.33
1960	14.03	0.64	0.14	0.37	1988	4.86	0.55	0.29
1965	10.44	0.59	0.13	0.55	1989	4.47	0.50	0.23
1970	7.72	0.54	0.15	0.69	1990	3.49	0.48	0.07*
1975	7.06	0.59	0.24	1.13	1991	2.10	0.47	no data
1980	5.67	0.53	0.31	1.51	1992	1.48	0.45	no data
1981	6.27	0.55	0.29	1.63	1993	1.44	0.43	0.05*
1982	6.55	0.57	0.28	1.66	1994	1.55	0.40	0.05*
1983	6.47	0.57	0.25	1.74	1995	1.37	0.40	0.04*
1984	6.69	0.56	0.26	1.81	1996	1.30	0.38	0.04*
1985	6.63	0.57	0.28	1.83				

* Event organized by the National Philharmonic Orchestra.

Source: Central Bureau of Statistics

Press

Year	Dailies		Journals		Total number of press products in the period
Number	Print run (millions)	Number	Print run (millions)		
1938	no data	no data	no data	no data	1,934
1950	24	291	310	184	334
1960	24	472	566	232	590
1965	25	596	671	279	696
1970	29	731	830	370	859
1975	29	818	867	431	896
1980	29	877	1,619	507	1,648
1981	29	888	1,588	553	1,617
1982	29	903	1,592	502	1,621
1983	29	906	1,585	501	1,614
1984	29	924	1,627	510	1,656

1985	29	917	1,678	493	1,707
1986	29	938	1,654	506	1,683
1987	29	952	1,692	501	1,721
1988	29	968	1,826	497	1,855
1989	31	772	1,888	470	1,915
1990	35	786	1,455	489	1,490
1991	36	771	1,481	504	1,517
1992	38	758	944	423	982
1993	37	652	917	447	954
1994	38	674	962	461	1,000
1995	41	641	778	426	819

Major press products (avg. print run, thousands)

Press product	1995	1996
<i>National dailies</i>		
Népszabadság	287	261
Nemzeti Sport	119	104
Mai Nap	77	84
Blikk	128	83
Népszava	90	75
Magyar Hírlap	73	59
Expressz	54	59
Kurír	82	51
Magyar Nemzet	45	49
Új Magyarország	36	37
Világgyzadaság	13	14
Napi Gazdaság	15	12
<i>County dailies</i>		
Kisalföld	101	87
Hajdú-Bihari Napló	57	70
Zalai Hírlap	67	67
Napló	49	57
Petőfi Népe	58	53
Fejér Megyei Hírlap	48	53
Hajdú-Bihari Napló	57	49
Kelet-Magyarország	51	47

Új Dunántúli Napló	47	47
Somogyi Hírlap	48	45
Délmagyarország	46	43
Észak-Magyarország	40	36
Békés Megyei Hírlap	39	35
Déli Hírlap	39	34
Délvilág	18	31
Új Néplap	32	30
24 Óra	32	29
Heves Megyei Hírlap	28	24
Tolnai Népújság	26	24
Jászkun Krónika	23	19
Új Kelet	14	16
Nógrád Megyei Hírlap	18	15
<i>Weeklies</i>		
TVR Hét	656	623
Nők Lapja	466	464
Színes Rtv	460	464
Szabad Föld	408	382
Sárga TV	303	309
Meglepetés	96	302
Tina	305	206
Füles	193	173
Rádió és TV Újság	145	169
Heti Világgazdaság	122	122
Zsaru Magazin	189	112
Telehold	101	85
Sportfogadás	103	68
Új Ember	56	60
Futár	34	59
Képes Újság	83	52
Magyar Fórum	44	45
Pesti Vicc	50	43
Pesti Műsor	36	42
Pesti Est	40	34
Budapesti Foci	33	29
Képes Európa	48	29

Reform	47	27
Budapest Panoráma	42	25
Kertészet és Szőlészet	24	21
Sportissimó	29	21
168 Óra	30	21
Tallózó	13	21
Élet és Tudomány	24	17
Élet és Irodalom	18	13
<i>Monthlies</i>		
Válogatás	218	305
Autósélet	339	303
Csók és Könny	199	171
Lakáskultúra	163	139
Kiskegyed Konyhája	109	112
Cégvezetés	51	108
Az Otthon	109	93
Vásárlói Magazin	100	92
Családi Lap	130	83
Fakanál	56	81
Ifjúsági Magazin	86	79
Patika Magazin	96	77
Buci Maci	54	58
Poénparádé	47	56
Kistermelők Lapja	47	55
Adó	66	55
Popcorn	61	50
Sport 2000	61	50
Horgász	80	49
Autó 2 magazin	43	48
Dörmögő Dömötör	65	48
100xSzép	60	47
Kismama	50	44
Új Tudor	33	42
A Kutya	42	41
Top Gun	36	36
Ufo Magazin	35	35
Természetgyógyász Magazin	50	29

Privát Profit	94	29
Where	25	28
West	27	28

Source: Central Bureau of Statistics

Number of telephone lines (thousands)

Telephone connections	1985	1990	1991	1992	1993	1994	1995	
Main lines	738.8	995.8	1,129.3	1,292.1	1,498.5	1,774.1	2,157.2	2
Of which: individual	499.0	704.7	819.7	952.4	1,135.8	1,390.0	1,742.3	2
institutional	219.9	265.4	282.5	311.4	332.1	350.4	377.5	
public	19.9	25.7	26.5	28.3	30.6	33.7	37.4	
Proportion of main terminals facilitating long-distancedialing %	no data	87.4	88.3	90.1	92.6	93.9	95.8	
Number of persons on waiting list for home main line, (thousands)	no data	571.3	608.1	678.2	704.0	647.0	632.9	
Number of cellular telephone sets, 1000 units	no data	no data	5.0	23.3	70.0	142.4	267.1	

Source: Central Bureau of Statistics

Including in-plant main lines, used for service purposes, which generate no income.

The Cultural Heritage

Hungary possesses rich cultural heritage, which also constitutes a part of European heritage. The Hungarian nation has always been proud of its movable, architectural, and intellectual heritage, and considers it important that the government devote a major part of the public expenditures to the preservation of such values.

Regarding legislation, this area of the portfolio is currently involved in the drafting of a new law on the preservation of cultural heritage, which is a fundamental requirement for accession to the European Union in terms of law harmonization. The law includes provisions concerning the protection of movable cultural assets and historic buildings, as well as the elements of contemporary legal practice - in line with a European approaches and practice - that are intended to be adopted for the benefit of conserving archaeological heritage. The law provides for the establishment of a new, standard agency devoted to the preservation of the movable and non-movable assets of our cultural heritage. This corresponds to the standard, customer-oriented heritage preservation agency system operating in the majority of the EU member-states. The adoption of an authority network corresponding to the statistical and planning regions is particularly important for the purposes of asserting regionalism.

A number of the international conventions relating to heritage conservation have already been incorporated in Hungary's legal system. Hungary was among the first to sign Protocol No. 2 to the Hague Convention on the Protection of Cultural Assets in the Event of Armed Conflict. Hungarian specialists have been involved in the drafting of an international convention on underwater cultural heritage preservation for the benefit of protecting the elements of cultural heritage that may be present in the country's fresh waters.

In addition to the "Convention on the Protection of the European Architectural Heritage" signed and proclaimed in Granada (1992), the proclamation of the "European Convention on the Conservation of Archaeological Heritage" (Council of Europe) signed in Malta, is an important

milestone.

Like other EU member-states, Hungary deems the involvement of civil organizations in tasks associated with the preservation of cultural heritage quite important. Civil initiatives (friends of castles, historic building preservation clubs, etc.) are given support, which receive major funding from the Ministry's budget. In addition, the tender subsidization scheme of the National Heritage Program is available to all historic building or monument proprietors.

The majority of Hungary's movable cultural heritage resides in museums. As at 1 January 2000, 804 licensed museums operated in Hungary, 139 of which served all three functions (public, scientific, and cultural collections), while the rest are made up of public collections or exhibit sites. Nearly 13 million individually registered pieces are housed in their collections. The exhibits of our museums play an important role in Europe's museum functions. Important scientific research is going on in the country's museums, giving rise to publications widely acclaimed in professional circles.

In force since 1997, the regulations of Act CXL on Museum Institutions are compliant with the decrees and guidelines drafted by the Council and the Commission on the subject, which refer to the exportation of cultural assets and the repatriation of cultural assets illegally removed from the member states' territories.

A comprehensive tendering system - whose two main pillars comprise the National Cultural Funding Program (and its applied funds) and the tenders invited by the Ministry of National Cultural Heritage - aids the professional work of the museums.

Hungary has been involved in the EU's cultural community projects with some quality tenders (e.g., the Raphael Program in 1999). We participated in the Council's campaign entitled "Europe, Our Common Heritage" with many heritage conservation, museum, and library events.

For the benefit of preserving and promoting our intellectual heritage, we assist traditional activities, folk art and handicrafts fairs, and creative workshops throughout the whole country. The operation of the European Folklore Institute is supported out of budget resources. This institute is capable of mediating our culture to the EU member-states at a high level, in several languages, and through regular publications and conferences.

The preservation of native-language culture is the basis of national culture and education and the token of preserving national identity. Two years ago, the Ministry proposed a native language preservation campaign for this purpose, which drew the attention of many social groups urging them to take responsibility in preserving their mother tongue.

Close attention is paid to the preservation of the cultural activities of minorities in Hungary and to their participation in the majority population's cultural events. Thus, the amateur and tradition preservation groups of local minorities are regularly featured in our nationwide and regional cultural events. In addition, international minority conferences are organized with the participation of European minority representatives. Moreover, the National Romany Information and Culture Center was established in Budapest with government support.

The continuous retraining of experts working in the cultural sector was regulated and launched in conjunction with the European program entitled "Learning for Life". The organization of courses and extracurricular training based on the population's requirements is promoted by our public education institutes, and international conferences are organized in order to familiarize people with European trends in adult education.

The statutory basis for the protection and use of irreplaceable Hungarian reference materials safeguarded in archives came into being with the proclamation of the Act on Public Acts, Public Archives and the Conservation of Private Archive Material (Act LXVI of 1995). The Archives Act is essentially in harmony with the principles contained in the laws of the EU member-states and the relevant EU documents. It should be noted that the regulations pertinent to accessing archive materials are in line with the requirements of European Council Recommendation R (2000) 13, which contains European guidelines for archive research.

Hungary has a well-developed and rich library network. The public and specialized libraries

operate a document supply system, which ensures that the library documents are available to the readers of even the remotest of communities. Our telematics project was launched, so that libraries and other public collections can prepare for the challenges presented by information society. For the benefit of expanding the means of free information access, the Ministry - in line with the national IT strategy - is granting support through a so-called telematics tender to promote the exposure and publication of the cultural heritage safeguarded in public collections such as museums, libraries, and archives through state-of-the-art technology. With the help of this tender, the reference libraries and major public libraries, major museums, and archives now possess advanced IT infrastructure. Progress was made in developing a common computerized catalog for the libraries. The Hungarian Electronic Library is working, and the full text of numerous Hungarian literary pieces is accessible on the Internet. Results have been achieved concerning the digitization and publication of artworks safeguarded in museums. Preparations have been started to digitize the archives' materials, to store electronic documents, and to implement databases that considerably increase the efficiency of archive research.

Iván Rónai

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Hungary's Artistic Output at Home and Worldwide

Hungary has a number of obligations within the field of art and international relations regarding law harmonization. Chapter 20 of the Community's body of laws on Culture and Audiovisual Policy falls under the supervision of the Ministry of National Cultural Heritage. The so-called "acquis screening" negotiations of May 1998 were preceded by preparations involving the compilation and processing of the Community regulations, or *acquis communautaire*, relating to the cultural and audiovisual sector, and their comparison with the statutes of Hungary.

Article 151 of the Amsterdam Convention prohibits law harmonization in the area of culture. In spite of this, law harmonization needs to be guaranteed in some special areas closely related to culture such as the illegal trade or exportation of cultural assets and intellectual property.

Act CXL of 1997 on the Protection of Cultural Values; Museum Institutions, Public Libraries, and Culture was drafted in consideration of the EU's laws relating to the exportation of cultural values and the repatriation of illegally exported cultural assets. The EU also prescribes the establishment of an independent authority for the purpose of enforcing the above laws, which is provided for by the Act by way of an institution called the Cultural Heritage Directorate. The part of the Act relating to EU law harmonization entered into force on 1 June 1998, and the Cultural Heritage Directorate was set up simultaneously. Full law harmonization is planned to be achieved by the actual time of accession.

The Ministry of Justice is the main body responsible for coordinating matters relating to intellectual property. The jurisdiction of the Ministry of National Cultural Heritage covers the supervision of the common management of copyrights and related rights. There is no mandatory Community law applicable to this area. The role of the Ministry of National Cultural Heritage is limited to the registration of common law management associations, and to the constant monitoring of the activity (enforcement of the laws and the sanctioning of violations).

The initial stage of the accession negotiations, on 8 and 15 May 1998, saw the review, or so-called *acquis screening*, of Chapter 20 of the Community statutes (Culture and Audiovisual Policy). The negotiations took place according to lists forwarded by the European Commission in advance. List A contained the mandatory laws to be adopted, while List B contained those recommended for adoption. The adoption of *acquis* poses no problem in the area culture, though further law harmonization is required regarding audiovisual issues. The Commission established that the Hungarian regulations pertinent to television broadcasting (Act I of 1996 on Radio and Television Broadcasting) was not in full compliance with the Community's laws. The Hungarian party accepted the relevant *acquis*, and agreed to achieve full compliance by the actual date of EU

accession. No demand for derogation was indicated.

The Guideline on Border-free Television is the EU's sole mandatory law applicable to this area. Ratified by the European Commission in 1995, the White Book devotes a separate chapter to audiovisual services, and lists the adoption of the Guideline among the tasks to be carried out during the initial phase of the integration preparations. The full acquisition of the Guideline will also require amendments to be made to Act I of 1996 on Radio and Television Broadcasting (the so-called "Media Act"). The Government proposed its law harmonization-centered law amendment bill to Parliament in December 1999. For reasons of internal politics, Parliament did not pass the Bill during its spring session because a two-thirds majority was not achieved. The Ministry of National Cultural Heritage will submit its Bill again in early 2001. Law harmonization-related law amendment is subject to the completion of the "Culture and Audiovisual Policy" screening chapter, and thus the successful closing of the accession negotiations.

Of the associate members, Hungary was the only state in 1996 to which the European Commission proposed the Media II program (1996-2000). This program was interrupted for a time due to the so-called HBO Polska case. The amendment of the Media Act for the benefit of law harmonization will hopefully remove all obstacles in the way of our participation. Even though Media II will end this year, we will at least be able to take part in the Media Plus program to be launched in 2001. Resolutions adopted on community programs realized in the field of culture and audiovisual policy constitute part of the acquis. Hungary made a Statement of Intent in 1997 to participate in the EU's MEDIA II and its three cultural programs (Kaleidoscope, Raphael, and Ariane). Hungary participated in the programs Kaleidoscope and Ariane in 1998 (both ended in 1998), and in the Raphael program in 1998 and 1999. The European Union launched a new framework project encompassing areas covered by the previous programs, under the name "Culture 2000" (2000-2004). The program is being opened to Hungary and the rest of the associate members, and we will be able to participate from 2001 onwards. For the benefit of coordinating the Culture 2000 program locally and providing effective information, the Ministry set up the KultúrPont Office at the beginning of the year, which is a member of the Cultural Contact Points network active in the EU's member-states. Hungary was the first country among the associate members to set up such an information office.

Economically underprivileged regions within the European Community such as Portugal, Spain, Southern Italy, Ireland, and Greece receive support through various funds. Upon its accession, Hungary will also figure among the supported countries, so Hungary's cultural leadership must be prepared to utilize Structural Funds for cultural purposes. Structural Funds are best accessible to the public through cultural tourism (the protection and utilization of monuments). As it has been already recognized by the member-states of the EU, cultural heritage must be made accessible by tourism, and community actions should promote the mutual recognition of European cultures. In 1990, Hungary was the first in the region to become a member of the Council of Europe, and it also became signatory to the European Cultural Convention at that time. Once a subsidized country, Hungary has now itself become a source of support.

The fact that Hungary actively participates in the work of the Council of Europe, and that Hungarian specialists receive international recognition is important in terms of European cultural cooperation. This kind of work could also represent a "hallway" leading to the country's EU accession. A new kind of attitude towards culture throughout Europe also supposes new training and management techniques (cultural manager training). Hungary also supports the Council of Europe's and the EU's initiatives to this end, and is pleased to participate in them.

Hungary is taking part in a Council of Europe program aimed at analyzing cultural policies, which studies the decentralization of national cultural institutions and exposes their control, legal status, and financing models in the form of a comparative study (Désétatisation and Privatisation: National Cultural Institutions in Transition. Further participants are the Netherlands, Germany, Poland, Finland, and Cyprus). This program is an essential element of efforts urging cultural institutional reforms. One of the priorities of both organizations is also to examine what impact the new

information and communication technologies have on culture. The Ministry of National Cultural Heritage has also initiated the drafting of a strategy relating to the challenges presented by information society, on which it may base its future activities in this regard.

Following the change of political system, the degree to which the government could intervene in artistic life lessened as a matter-of-course: the administration's so-called "permitting" role was relegated to the background having lost its *raison d'être*; instead the state's primary task is to build artistic support schemes in line with the EU's practice, and to define priorities. Even the artistic community reacted sensitively to the changes and the new, limited role played by the government. Alongside an elite culture capable of successfully asserting its own interests and possessing an institutional system complete with all the financial resources required for its operation in spite of all the difficulties, an increasing number of independent artistic initiatives, art troupes, and creative groups started appearing, which have also come forward to claim support. The cultural governance recognized that the two circles cannot be opposed; they should instead be able to progress artistically, complement one another and integrate each other's results. Therefore, after analyzing its tasks, the portfolio reconsidered which are the artistic activities in respect of which the government's role should remain essential and to what extent, and what form of financing it should be manifested in. In practice, this means the creation of conditions that ensure the transfer of our heritage so intertwined with the past, and to enrich it with as many values as possible in the meantime.

The civic government continues to operate the artistic institutions directly maintained by the portfolio as budgetary institutions. This sphere consists of national institutions such as the Hungarian National Opera, the National Theater, the Hungarian National Philharmonic Orchestra, Chorus and Music Archives, the Hungarian National Folk Ensemble, and the Arts Hall. The review and update of our tasks was necessary in order to provide for operating conditions at European Union standards. The raising of the budget subsidization of the National Philharmonic by unparalleled magnitudes, the commencement of construction on the new National Theater, and the reorganization of the Arts Hall represented the initial steps of this activity. The founding of a House of Traditions is impending, which promises to be one of the most significant infrastructure and intellectual investment projects of the millennium. Its tasks will be to collect and nurture as national assets the folk art traditions of the Hungarian language, and to awaken and maintain consciousness regarding the cherished traditions - both home and abroad. The establishment of a representative institution providing a permanent place for presenting various genres of dance art - greatly needed in that field - is seen as feasible objective through the foundation of a National Dance Theater.

The institutional operation of several artistic activities is no longer justified in such an altered socioeconomic environment. As a consequence, the government now takes responsibility and practices its supporting role in the given segments of artistic life no longer by maintaining individual institutions but through providing sector-neutral support for the given artistic activity, primarily by way of funding obtainable through tenders. The National Cultural Funding Program, which receives regular funding out of public dues, is the main benefactor of Hungary's artistic life.

Public enterprises have been founded and are supported by the Ministry. Most artistic fields have public funds of nationwide scope, or ministry-founded private foundations operating out of transferred state assets or regular budget subsidies (e.g., the Public Fund for Hungarian Creative Artists, the Hungarian Motion Picture Foundation, the Hungarian Book Foundation, the Artistic and Free Culture Fund, the Hungarian Culture Foundation, etc.). A market-compatible subsidization model for cultural enterprises was set up with the introduction of a "preferential interest-rate loan program", where publishers and commercial firms may receive loans through tendering, with the Ministry assuming 50% of the interest on the loans.

Much progress has been made in the area of professional artistic life in accordance with the EU's decentralization principles regarding the professional, institute maintenance-related, and financial support of local governments that maintain art institutions. In the past few years, the regional local governments have founded new professional artistic institutions, and have also made significant

progress in supporting existing ones. The government's cultural policy is essentially implemented within the system of institutions supported by the local governments, therefore, we are constantly collaborating with the local governments regarding both the setting of objectives and fund-raising. The central subsidization system for local government theaters and orchestras was set up in such a way that the local governments are encouraged to provide as much support for their artistic institutions as possible.

The review of our relationship established with the figures of the artistic world is an essential task of the Ministry, just as the whole system of art subsidization is. The mechanisms by which public funds reach the artists should be made more transparent. Of course, the resolution of this issue is considered a long-term project on account of its complex nature. The social organizations of the artistic world receive regular government subsidies. The artists themselves and the civil organizations of the artistic world are increasingly being involved in the distribution of the resources available. Independent advisory boards delegated by the social organizations are chiefly responsible for the distribution of the National Cultural Funding Program's resources. In the course of granting the chapter's earmarked funds, the portfolio also relies upon the opinion of artists acclaimed by the profession. The grant scheme benefiting our young creative and performing artists has been expanded by the Ministry, and new prizes in recognition of artistic excellence have been established.

In constant dialogue with the public figures and organizations of the book publishing profession, the Ministry is attempting to influence reading habits, i.e., lexical culture. This is the reason why the Year of Reading has been conceived. It will be launched through comprehensive social teamwork in 22 January 2001, and will last until June 2002. The Motion Picture Act is about to be passed. It aims to protect national filmmaking in accordance with European standards and ensure that the government funding available for filmmaking and marketing is used more efficiently.

The government considers the reconstruction and European-standard upgrade of public buildings housing professional art studios as a priority task under targeted local government subsidization. The program involving the full reconstruction of theater buildings is progressing, whereby the expansion and upgrade of the Eger and Zalaegerszeg theaters has been completed this year, the remodeling of the Budapest Vaudeville-theatre and the Nyíregyháza theater is underway, the puppet theaters in Kecskemét and Debrecen are being relocated to new, modern facilities, and preparations are being made for the renewal of the Szeged chamber theater.

One of the key issues of the turn of the millennium is the preservation of Hungarian culture and art beyond our borders. The subsidization of professional Hungarian acting outside the country appears as a separate item in the portfolio's budget. Significant funds are devoted to supporting book publishing for Hungarians living outside the country's territory.

Much emphasis has been laid in recent years on the presentation of Hungary's artistic output within Europe. After the Europalia and the Frankfurt Book Fair, France and Italy will be the venues for Hungarian Culture Year in 2001 and 2002, respectively.

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Deputy Undersecretary,
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Subsidization of Research and Development on the Verge of a Breakthrough

Even more so than the previous one, the century ahead of us will be that of knowledge, science, and technology. In each product and service, there will be more and more added value derived from science. Prominent Hungarian thinkers of the past centuries also recognized the impact of information and scientific values on society and its future, and remarked at the key role knowledge plays in the life and welfare of the nation. Science performs its specific national tasks while keeping

an eye fixed on the outside world. As Lorand Eötvös put it, “True science’s scope is the whole world, so if we aim at being true scientists and - as it should be - good Hungarians, then we must raise the banner of science so high that it will be seen beyond our borders, and those outside can pay it due respect.” These words remain true to this day.

The institutional structure, and even the practice of science itself, underwent major changes in the 20th century. At the end of the 19th, and with the advent of the 20th century, when public education became widespread and in fact was made mandatory in a significant part of Europe, education became a part of governing to some extent. The 20th century witnessed a similar process with respect to scientific research and development. Science is no longer just meditation about the structure of the world and society, driven by the curiosity of individuals but rather a ruthless race for life and comfort. The role of the state also changed considerably. Today science policy is an integral part of overall policy-making and governing.

In the 1980s, it became obvious that the race taking place in the developed world was much more technological than military in nature - in the traditional sense. The issue of the creation, authentication, easy storage and retrieval, transfer, and rapid exploitation of knowledge became the main battleground of this race.

The fact, that knowledge has become a factor of power essential for survival and that science exerts increased influence, confronts the creators of knowledge, researchers and scientific institutions, as well as the actors of public life, politics, and government with a great variety of new tasks.

Coordinated Development

Today public opinion attaches paramount importance to science, and recognizes its results as a distinguished measure of national performance. The same applies to the political and intellectual elite; in fact, over the past few months, several outstanding representatives of the latter group argued on different occasions - among them in this publication - in favor of increased support for research, and presented their reflections on certain general as well as particular issues linked to Hungarian science. In addition to this multi-channel, sometimes unfocused, and thus vain or ineffective, ‘networked’ style of public thinking - so characteristic of our era - several reputed scientific circles also elaborated views on research, development, and innovation issues.

A number of the individual and institutional players of Hungarian scientific policy play rather active roles on the stage. At the same time, though, a clearly pronounced national research, development, and innovation strategy has not been put forward for a long time. The governmental program manifestly expressed the intent to provide significant support through government participation and the involvement of the business sector in order to bring together research, development, and the economy for the benefit of promoting the successful development of the country. All this entails a coordinated educational, research, development, and innovation policy, and measures encouraging the R&D activities of the private sector. Driven by a recognition of the supreme importance of research and development, the Hungarian Government established the College for Science and Technology Policy (TTPK in Hungarian) and its scientific advisory body. According to the corresponding governmental resolution, the task of the above body is to define the principles of national scientific and technological policy, analyze domestic research, and set forth thematic priorities. In the course of this work, the members of the body and appointed experts prepared studies and compiled a material that served as a basis for distilling all the various ideas into a single, simple science and technology policy indicating the decision-making points, too. In the next stage, the material and the studies written had been consolidated, with (the first draft of) the document titled Science and Technology Policy 2000 as the outcome. Based on the document reviewed twice, amended and finally approved by the scientific advisory body, the government passed a resolution on launching National Research and Development Programs (NKFPs). In parallel, certain inevitable structural modifications defining the distribution of tasks between the actors of scientific policy also had to be implemented. More explicitly, these modifications determine

the positions and tasks of the players, the Ministry of Education, the HAS, R&D funds, research and higher education bodies, HE institutions and research institutes. The Science and Technology Policy 2000 document sets out a long-term development program for Hungarian science and innovation.

The document reviews the current situation as focussed around five topics, namely human resources, institutional structure, financing, infrastructure and international relations, and defines the objectives, as well as the activities required to achieve them. Here I would like to highlight three issues among the activities indicated. One task is to outline and establish attractive teacher and researcher career models promoting the rise of a new generation, in particular a postdoctoral system has to be created. Another task is to maintain and operate two-channel state financing consisting of basic support and a grant application system, and to significantly increase the budget support of research funds allocated on the basis of submitting tender applications. Concerning areas of strategic importance, application-and-granting-based National Research and Development Programs have to be implemented, targeted, in particular, on the following five subjects: improving the quality of life; information and communication technologies; research in environmental protection and materials science; research in agricultural economy and biotechnology; research of the national heritage and present-day social challenges. Hungary has always moved along with European progress. In this spirit, the National Research and Development Programs are seamlessly fitted with the development programs of the European Union. Our country today shows promising development trends, and can rightfully be proud of its scientific achievements, the intellectual potential evidenced by Hungarian researchers.

The 2001 and 2002 budgets submitted to Parliament by the Government devote significant resources to the realization of the objectives put forward in the Science and Technology Policy 2000 document. The budget financing of research and development will increase by at least HUF 17.5 billion next year, then by another HUF 19 billion in 2002. From this increase, in the year 2001, HUF 7 billion will be devoted to reinforce R&D bases, and HUF 10.5 billion will be used to application-based granting funds. For the same purposes, another HUF 10 and 9 billion, respectively, will be allocated in 2002. In what follows, I will review how we can use these resources to perform the tasks elaborated in the Science and Technology Policy 2000 document.

Where do We Stand Now?

As the first step towards establishing a performance-based career model more attractive to the younger generation than the current one, a unified teacher and researcher salary/compensation system will be introduced from 2001. The fundamental concept behind this system is that the actual income will essentially be determined by a career promotion scheme based on strict criteria. The income relevant to particular career stages (assistant, assistant professor, associate professor) will be defined as a given percentage (45, 50, and 70%) of the guaranteed university councils' pay, while teaching and research positions will be exactly matched to each other. We believe the guaranteed professorial salary will be set to at least HUF 245,000 per month in 2001. In order to facilitate the career start of young teachers and researchers, we aim to create the György Békésy postdoctoral fellowship, thus providing the top 250 fresh graduates with an associate professorial salary within the framework of a national granting system. The on-going Bolyai fellowship system will be kept in place. Finally, the István Széchenyi fellowship will serve to reward the best 150 associate professors with full professorial salaries, again under a national granting system. The introduction in 2001 of a unified teacher and researcher salary system will result in an average 30% salary increase for researchers. The honorarium of Academy of Sciences doctors, correspondence, and full members will be substantially increased. The corresponding increase will be 25.5% in 2001, and yet another 25% in 2002, thus the honorarium of doctors, correspondence, and full members will reach as much as HUF 64,000 (80,000), 224,000 (280,000) and 288,000 (360,000), respectively, in 2001 (2002).

Strengthening the Bases

For government-operated research locations, we will continue to use the two-channel budget financing consisting of basic funding and an application-and-granting system. The planned basic funding increase of the institutions will on the average be 17.3% (another 15%) in 2001 (2002) with respect to the current figures. In the case of research institutions, the corresponding increase will be 27% (another 15%) in 2001 (2002). In addition to this major increase, each research location and scientific base will dispose of the new, increased resources available for granting (by a factor 2 (again 1.5) in 2001 (2002) relative to today).

Every institution will be able to apply for the granting/financing resources most appropriate for its sphere of activities. Besides, it is expected that thanks to the National Research and Development Programs, the relationships between the research locations and the business companies will be strengthened too. For the truly critical point of Hungarian R&D is the dynamic increase of corporate R&D resources. The most important incentive for this is the establishment of a social environment encouraging R&D, and the creation of the ability to produce profit. Key factors for both of these include education, a properly qualified workforce, and the existence of the appropriate R&D bases. It goes without saying that we will try to encourage companies to increase their R&D expenditures also via direct incentives. This first of all means the targeted grants of the technical development framework program, and, secondly the opportunity - unique in our region - that, from the next year on, enterprises will be entitled to reduce the tax base of their R&D expenditures by 200%, provided they implement their development programs at their own base, or at any other Hungarian R&D location.

Three Pillars

The primary role of the National Scientific Research Programs (OTKA) established in 1986 - and later regulated by the provisions of a corresponding Act as of 1991 - is to support basic research following the intrinsic logic dictated by scientific development. Based on the initiatives of individual researchers or research groups - mainly at labs situated at HE or research institutions - , the programs finance scientific work resulting in world-class results, or the creation of instrument/equipment bases, with amounts falling between (somewhat simplifying the scheme) HUF 1-10 million/year/program. The budget support for OTKA will increase to HUF 5.2 billion (HUF 7 billion) in 2001 (2002), compared to HUF 3.3 billion in 2000. The role of the Central Technical Development Programs (KMFA) is to facilitate the realization of applied research and public-oriented technical development, promote infrastructural development, and accelerate the dissemination and practical exploitation of useful results. The group of potential grantees is much larger here than it is for OTKA. Starting with university labs, the scope encompasses small-to-medium-sized enterprises as well as the R&D locations of major Hungarian or multinational companies. Again with a little simplification, grants per topic range from HUF 10 to 150 million. The budget support for KMFA will increase to HUF 8.7 billion (HUF 11 billion) in 2001 (2002), compared to HUF 6 billion in 2000. In response to a governmental resolution, the Ministry of Education announced the first round (submitting statements of intent) of the application for grants for multi-disciplinary National Research and Development Programs. The Invitation for Tenders will be issued in the first quarter of 2001. The budget support available for application granting will be HUF 6 billion in 2001, and the amount will be increased to HUF 10 billion in 2002. For the first four National Research and Development Programs, the requested funding is at least HUF 100 million/project, while for the fifth Program this minimum is HUF 10 million. During the evaluation of the project proposals, such projects will be preferred that are based on the consortium-type co-operation of enterprise(s) and public purpose research location(s). Through these programs, we wish to start such over-arching development activities where the entire development chain starting from basic research and extending to a marketed products or services is present within a single program, the enterprises are active partners of the R&D locations, and the programs aim at

producing specific results. Putting the grant support of research and development on the three pillars described above and simultaneously strengthening its bases, the long-awaited potential for a true breakthrough in terms of financing is finally at hand.

The European and international embedding of Hungarian science is excellent, and this is one of the strengths of Hungarian scientific life. However, we are still affected by a certain shyness when we touch upon the issues of financing international programs and relations. In these programs, Hungarian researchers are the partners and competitors of researchers of countries that are considerably richer and spend a great deal more on research. Consequently, international programs are expensive. At present, Hungary is already a full member of the 5th RTD EU Frame Program, and submits its financial contributions accordingly. The magnitude of this contribution is given by the ratio of the GDP of Hungary to that of the EU. The discount we received gradually decreased between 1999 and 2001 (from 60% to 40% and then to 20%), which translates into contributions of HUF 1.98 billion, 3.1 billion, 4.6 billion and 5.9 billion, respectively, between 1999-2002. Forty-six percent of this contribution for the period 1999-2002 was/is/will be covered by the PHARE Program. Hungary actively participates in the 5th Frame Program, and its extension, the next Frame Program of the European research region.

The Token of Our Welfare

It is understood that the interest, and indeed the responsibility, of every Hungarian research institution and researcher is that the participation in the above programs produce appropriate profit - be it directly or indirectly - for Hungary. The 1999 grant balance of Hungarian researchers is excellent; support amounted to HUF 3.5 billion. However, it remains to be seen how much the Hungarian R&D entities will be able to win with respect to the cca. HUF 6 billion that will be contributed by us in 2002. In addition to the Frame Program, Hungary participates in a number of other international programs. The contributions required in relation to these programs range from a few million forints to HUF 800 million, and actually go to several ministries. Their total cost for 2001 can be estimated at roughly around HUF 1.4 billion. 2001 will be the first year when these financial contributions will be separately shown in the budget of the Ministry of Education. Due to all these measures, we have all our hopes to trust that the results provided by R&D will contribute to increasing the competitiveness of Hungarian economy, and will improve the quality of life of Hungarian people through the creation and introduction of new products and services. It is my strong conviction that the money invested in research and development constitute the token of Hungarian welfare in the future. Although I would really refrain from comparing these developments to the historical deed of István Széchenyi, but nevertheless it fills me with great joy that these developments happen to coincide with the 175th anniversary of the foundation of the Hungarian Academy of Sciences. Even though the impact of the actions may differ, the intention - to serve the aggrandizement of the Hungarian nation - is certainly the same.

József Pálincás

Undersecretary, Ministry of Education

Source: Magyar Nemzet, 2000.

KEY PARAMETERS OF RESEARCH INSTITUTES IN 1999

	Research Institutes		Higher Education Research Site
Total	Hungarian Academy of Sciences		
Total staff number	6,359	4,069	24,41

Number of researchers	3,201	2,308	15,450
Proportion of researchers (%)	50	57	60
Calculated staff number ¹	5,079	3,516	7,450
Calculated research staff number ¹	2,904	2,167	4,760
Calculated proportion of researchers ¹ (%)	57	62	60
Member of Hungarian Academy of Sciences (MTA)	70	67	180
Acquired degree ²	1,365	1,105	5,610
Foreign researcher ³	12	9	220
Postgraduate student	216	174	389
Book published in Hungarian	283	194	2,070
Article published in Hungarian	2,364	1,474	11,640
Foreign-language book	161	132	540
Foreign-language article	2,382	1,991	8,570
Domestic patent	42	8	50
Foreign patent	-	-	50
Research subjects	3,748	2,513	9,280
International papers	407	349	880
R&D costs (HUF million)	17,676	11,579	1,580
Budget tender ⁴ (HUF million)	5,689	3,231	4,190
Central budget (HUF million)	8,588	391	1,900
Personal expenses (HUF million)	9,270	6,551	8,680
Equipment or instrument purchase (HUF million)	1,907	1,271	1,420

¹Converted to eight hours worktime

²Doctor of Science, candidate, PhD

³Temporary + permanent

⁴Portfolio R&D funds, KMÚFA, OTKA

Source: Ministry of Education

Nobel Prize Winners of Hungarian Nationality and Descent

The first time Nobel Prizes were awarded in Oslo and in Stockholm five years after the death of Alfred Nobel, the Swedish inventor and industrial magnate. The prize was founded from his enormous private fortune in compliance with his last will and testament. It was not long before a scientist from Hungary won this prize which, to this day, is the most prestigious of all international prizes (and it also comes with the largest cash award). In 1905 during the traditional December 10 ceremony - Fülöp Lénárd (Philip Leonard) received the Nobel Prize for physics from the King of Sweden's hands, "for his research related to cathode rays", the Swedish Academy of Sciences declared.

Lénárd was born in Pozsony, in those days still in Hungary (the city is now called Bratislava, and it is the capital of the Slovak Republic). His family was German. He attended a secondary school in Bratislava where instruction was given in Hungarian, and then he first attended the Technische Hochschule (Technical College) of Vienna, but later, disappointed with the Austrian college, he went

over to Hungary to attend the University of Sciences in Budapest. From 1883 on he pursued his studies at the University of Heidelberg, Germany, where he graduated and obtained a Master of Sciences degree. After doing research in Budapest for a while he was so successful in his field that the Hungarian Academy of Sciences co-opted him among its correspondent members as early as in 1897. He remained in touch with the Hungarian scientific community almost until World War I: he wrote scientific publications in Hungarian and carried on his correspondence in Hungarian. He was a passionate anti-Semite and he stood by Hitler: five weeks after Hitler was sentenced to imprisonment on account of his „beer-hall putsch”, along with another Nobel Prize winning German physicist. Lénárd, then Professor at Heidelberg University, published an article glorifying Hitler in a Munich daily, and when the „Fuehrer” was released from prison, Lénárd, then 64, travelled to Munich to make his acquaintance. Although he retired in 1931, he remained a celebrity of the Nazi regime. On account of his political role, the Hungarian Academy of Sciences removed him from its members on 13 July, 1945.

The second Nobel Prize winner of Hungarian descent was Dr. Róbert Bárány, physician (1876-1936). The son of a Hungarian family living in Vienna, he graduated from the School of Medicine of the Austrian capital. As an intern at the famous Politzer teaching hospital, he realized the consequences of the malfunctions in the vestibular apparatus of the inner ear (this is the organ of balance) and summarized his findings in his major work published in 1907: the University of Groningen, the Netherlands, awarded him its prize for “the most significant discovery in otology in the past 5 years”.

During World War I he worked in field army hospitals and was taken POW by the Russians. He contracted malaria in a POW camp near the Persian border. It was only after he had been transferred, as a result of mediation by the heir to the Swedish throne, to a POW camp in Europe that he learnt about the fact that he had won the Nobel Prize for medicine in 1914 for his “research related to the physiology and pathology of the vestibular apparatus (organ of balance)”. Through the mediation of the Government of Sweden he was released from the POW camp in 1916. In 1926 he was appointed Professor at the University of Uppsala (Sweden), and later he worked in the institute established for him, based on his own plans until his relatively early death as a result of a disease contracted in the POW camp.

The third Hungarian Nobel Prize winner was Richárd Zsigmondy (1865-1929). He also came from a Hungarian family living in Vienna, he pursued his studies both in Vienna and in Germany: he had a Master of Sciences degree in organic chemistry. He worked at several universities. From 1900 he conducted research in his private laboratory in Jena and he was also employed by the famous Schott glass works of Jena, where he designed the ultramicroscope in 1903 and the ultra-filter in 1918. From 1907 he also became Professor at the prestigious University of Göttingen. He was awarded the Nobel Prize for chemistry for the year 1925, which he received in 1926.

He was succeeded by five Hungarian Nobel Prize winners, all of whom were born in Budapest, but only Albert Szent-Györgyi (1893-1986), of all the Hungarian Nobel Prize winners, was living in Hungary when awarded the Nobel Prize, when he received his for medicine in 1937. Although his name is associated in public memory with the discovery of vitamin C only, his achievements are wider and more profound than that. Szent-Györgyi came from a wealthy family of land-owners, but on the distaff side he had famous scientists among his ancestors, such as the a Lenhossék’s, three professors at University of Budapest and a member of the Hungarian Academy of Sciences. He received his diploma in medicine in 1917, and later was forced to find employment abroad because the University of Bratislava was dissolved. He worked in Hamburg, Berlin and Cambridge, where received his MSc degree in chemistry. He worked as a researcher in the Netherlands and in the United States as well. When requested by the then Minister of Culture, he returned to Hungary in 1930 and was given a Chair at the University of Szeged. A highly successful scientific workshop centred around him there. Among his scientific achievements was the discovery of hexuron acid, which proved to be vitamin C fits scientific name is ascorbic acid, and of vitamin P. During World War II. he also undertook a secret diplomatic mission to get Hungary out of the Nazi alliance, but

this mission failed. After the war he came to work at the University of Budapest and here he founded a new academy, but due to the political conditions of the day he did not return to Hungary from a trip abroad and settled in the United States and became Director of the Muscle Research Institute of the Naval Laboratory of Woods Hole.

The next Hungarian Nobel Prize winner was György Hevesy (1885-1966). He studied chemistry in Budapest, Berlin, Freiburg and later worked in Karlsruhe side by side with the Nobel Prize winner Fritz Haber. From 1911 he worked in Manchester, together with Rutherford, also a Nobel Prize winner. It was at this latter place that he started to study radioactive materials. During World War I. he did military service. After the war he was appointed Professor at the University of Budapest, later he worked in Denmark, in the Institute of the Nobel Prize winning Niels Bohr. After the German occupation of Denmark (1943) he moved to Stockholm. He was professor in Stockholm when in 1944 he was awarded the Nobel prize for 1943 for his research on isotopes.

Along with Albert Szent-Györgyi and Róbert Bárány he was the third Hungarian Nobel Prize winner who, in the Stockholm publications, declared himself to be Hungarian.

The next Hungarian Nobel Prize winner was György Békésy (1899-1972). The son of a Hungarian diplomat, he attended secondary schools in several countries, and received his diploma in physics after completing his university studies begun in Bern, Switzerland, in Budapest, where he obtained an MSc degree in physics in 1923. Between 1939 and 1946 he was Professor of Experimental Physics at the University of Budapest. In 1946, when Hungary, devastated by the war, practically lay in ruins and the greatest inflation of modern history was raging in the country, and there was hardly any opportunity to conduct scientific research, he accepted a one-year scholarship for a research worker in Stockholm. In 1947, the famous elite university of the US, Harvard University, invited him to fill a teaching professor's position and there he continued the physiological acoustic research he began in Budapest. It was in this way that he made his achievements, for which he, although a physicist, was awarded the Nobel prize for physiology or medicine, „for the discovery of the physical mechanism of the stimuli generated in the cochlea of the ear”. At an advanced age, in 1966 - for the sake of more clement climatic conditions - he became Professor of the University of Hawaii and passed away in Honolulu. He left his valuable ari collection to the Alfred Nobel Foundation, where the artefacts are exhibited in a separate memorial room. An interesting side of his character was the fact that he insisted to the very end on the Hungarian spelling (totally incomprehensible for the American reader} of his surname, with an accent above the two „e”-s.

The seventh Nobel prize winner of Hungarian descent was Jenő P. Wigner (Eugene P. Wigner} who was born in Budapest in 1902 and died in Princeton, USA, in the early days of 1995. Although fascinated by physics, upon the request of his father - a well-to-do owner of a leather tannery - he graduated from the university as a chemical engineer. Subsequently he worked in his father's factory for a while, then conducted research in Germany, and in 1930 he emigrated to the United States where he was Professor at Princeton University until his retirement in 1971 Besides his theoretical works in physics, he also took part in an undertaking that was to change the course of history: it was he who drove (Leó Szilárd) in his car to visit Albert Einstein, then on a fishing trip on the oceanfront and it was during this meeting that the letter addressed to President F.D. Roosevelt was written by them, which meant the beginning of research into the release of atomic energy.

Wigner, along with the Nobel prize winning Italian immigrant Enrico Fermi played a decisive role in the construction of the first nuclear reactor installed in Chicago, and later he became Head of an important team, the Theoretical Physics Team of the research workers joining efforts to develop the A-bomb. For a short while after the war he worked as Director of R&D at the Oak Ridge Laboratory.

He was awarded the Nobel Prize for physics in 1961. After 1976, the scientist visited his birthplace, his home country, several times, where he was received with great many acknowledgements.

(Member of the Hungarian Academy of Sciences, Doctor Honoris Causa, Professor Emeritus, etc.)

Dénes Gábor, or, better known as Dennis Gabor (1900-1979) was awarded the Nobel prize for physics as a British electrical engineer in 1971, "For the discovery of and contribution to the

development of, the holographic method.” He also started his university studies at the Budapest College of Technology, and graduated from the University of Berlin. In 1933/34 he worked as a research worker of the Tungsram Joint-Stock Company, and later he took up jobs at industrial research laboratories in England. In 1949 he became a University Professor. The significance of his research work was acknowledged world-wide: the Hungarian Academy of Sciences co-opted him as an Honorary Member as early as in 1964. His greatest and best known invention is the holographic method, the essence of which - to put it simply - is that photographs can be made that (when projected) provide a full, three-dimensional image, one can walk around these three dimensional images, just like one can walk around a physical object. This congenial idea became feasible when Laser beams were developed. The ”information- density” of the holograms is enormous - even any minute part of the hologram includes the total of the photographic information.

János Polányi (John C. Polanyi), the winner in 1986 of the Nobel Prize for chemistry was born in Berlin in 1929. The reason for his birthplace is the fact that his father, Mihály Polányi, member of one of the most famous Jewish families of the Hungarian intelligentsia; emigrated from Hungary after the downfall of the revolutions following World War I. (he was State Secretary for Health Care in the Government of the Republic of Hungary in 1918). Polányi the elder had significant achievements in Germany: it was in this country that his son, later to be awarded the Nobel prize, was born. After Hitler’s rose to power he fled to England and became Professor of Chemistry and Physics at the University of Manchester. His son also graduated from that university. John C. Polanyi worked in Canada, for a short period in Princeton, then again in Canada, in Toronto. He published over 150 papers. He was awarded a number of highly prestigious scientific prizes which were unexpectedly crowned by the Nobel prize for ”research in the dynamics of elementary chemical processes”.

The next Hungarian Nobel Prize winner, Elie Wiesel - who received the prize in the same year as Polanyi - is a personality with a surprising life story. He was born of a Hassidic Jewish family in Máramarosziget then belonging to Romania. ”I am of Hungarian and Romanian descent” he said about himself in a letter. He was given a traditional religious upbringing. He studied the ”worldly” sciences as a private student and took two exams in Hungarian in the Jewish Secondary Grammar Schools of Oradea and of Debrecen, but at the age of 15 he was deported. His parents and his sibling were killed in the Nazi concentration camps of Auschwitz and Buchenwald. After the liberation he went to Paris, where he soon learnt French and shortly he published novels, the first of which were prefaced by the Nobel prize winner Mauriac, an outspoken Catholic writer. He also wrote novels in Yiddish. He sent reports to Israeli papers in Hebrew, and later, during the Independence War he sent reports to French newspapers from Israel. Since 1956 he has been living in New York, and has been a guest lecturer at many an American universities. He has been a prolific writer. He published novels, studies extensively, and as the outstanding figure of the fight against anti-Semitism, he has received many awards which were crowned by the Nobel Peace Prize in 1986. He, the writer, was not given a literary award, but the Peace Prize, ”because he is one of the most - important leading figures in times when violence, oppression and racial hatred left their mark on the face of the Earth” - as was expressed by the Nobel Committee.

Another chemist of Hungarian descent, György Oláh, was given the Nobel Prize in 1994. He was born in Budapest in 1927. As a student of the Grammar School of the Pious Order, the pedagogue of great renown József Öveges aroused his interest in natural sciences. He graduated from the University as a chemical engineer and his scientific career sky-rocketed immediately: at the early age of 27 he was Doctor of Chemical Sciences (bearers of this degree are eligible for membership in the Hungarian Academy of Sciences) and became Deputy Director of the Central Chemical Research Institute of the Hungarian Academy of Sciences. He, along with his wife, who was also a fellow research worker, left Hungary after the Revolution of 1956. He found a job in a laboratory, involved in basic research, of the Dow Chemical giant concern, and although he had never before worked in the field of industrial research, soon he was promoted to one of the executive positions of the institute. And in 1964 the concern established a laboratory in Boston, Massachusetts and this is

how György Oláh came to -work in the US. From there he first went to the University of Ohio, Cleveland, and later, in 1977 he became the Science Director of the Centre for Hydrocarbon Research of the University of Southern California in Los Angeles. He was the first scientist to succeed in detecting the basic carbon ions playing an important part in the elemental processes of hydrocarbon chemistry. The life cycle of these basic carbon ions is so short (one thousand millionth of a second) that their very existence was for a long time questioned. The achievements made by György Oláh are of great significance (cost-effective production of unleaded gasoline, etc). That the international scientific community recognized and acknowledged these achievements of his is proved, among many other things, by the fact that the Hungarian Academy of Sciences co-opted him an Honorary Member as early as in 1991.

In the same year when György Oláh was awarded the Nobel prize, another scientist of Hungarian descent, János Harsányi, was given the Nobel Memorial Prize for economics. Though this Prize was not founded by Alfred Nobel, the awarding, intellectual prestige and financial reward of the Nobel Memorial Prize is equal to that of the Nobel Prize. János Harsányi, born in Budapest in 1920, was given the prize in recognition of his research in game theory. Harsányi - since his parents owned a chemist's shop - first graduated in pharmacology in Budapest. When he learnt in 1950 that private chemist's shops would soon be nationalised he fled from the country across the swamps of Lake Fern (Neusiedler Lake across the border between Austria and Hungary). He then went to Australia, but his diploma was not accepted there. While earning a living through physical labor, he started studying at the School of Economics of Sydney. He was given a Rockefeller grant for his first papers, and in 1956 he went to the US to work with Nobel Prize winner, Professor Kenneth Arnold, and took up mathematical statistics upon encouragement from his mentor. Upon his return to Australia he was given a Chair at the University of Canberra, but in 1961 he went to the US for good. His research work further developed the game theory worked out by the Hungarian János Neumann. (János Neumann, who, according to Jeni Wigner, also Einstein's personal acquaintance, "was the only genius I ever met", was not awarded the Nobel Prize because he just "did not fit" any of the disciplines, and there was no Nobel Memorial Prize for economics at that time.)

Certain reference books also consider the following Nobel Prize winners to be of Hungarian descent: Isidore Isaac Rabi, Nobel Prize for Physics, 1944 - he was born in Rymanov, Galitia, and went to the USA in his early childhood.

Milton Friedman: Nobel Prize for Economics 1976 - his parents emigrated to the US from Beregszász (Beregovo, Ukraine, formerly Hungary) Daniel Carleton Gajdusek - Nobel Prize for Physiology or Medicine, 1976 - his father, Slovak by nationality, emigrated from a small village near Nyitra and his maternal grandparents of Hungarian nationality emigrated to the US from Debrecen, Hungary and they settled in Yonkers, near New York City. He was born there in 1923.

Sports

Hungarian Olympic Champions, 1896-1996

1896, Athens

1. Alfréd HAJÓS - swimming, 100 m freestyle, 1 min 22.2 sec
2. Alfréd HAJÓS - swimming, 1200 m freestyle, 18 min 22.2 sec

1900, Paris

3. Rudolf BAUER - athletics, discus throw, 36,04 m

1904, St. Louis

- 4. Zoltán HALMAY - swimming, 100 y freestyle, 1 min 02.8 sec
- 5. Zoltán HALMAY - swimming, 50 y freestyle, 28.0 sec

1908, London

- 6. Fencing, sabre team (Dezső FÖLDES, Jenő FUCHS, Oszkár GERDE, Péter TÓTH, Lajos WERKNER)
- 7. Richárd WEISZ - wrestling, Greco-Roman style, heavyweight
- 8. Jenő FUCHS - fencing, sabre individual

1912, Stockholm

- 9. Sándor PROKOPP - shooting, army rifle 300 m, 97 c.
- 10. Fencing, sabre team (László BERTY, Dezső FÖLDES, Jenő FUCHS, Oszkár GERDE, Ervin MÉSZÁROS, Zoltán SCHENKER, Péter Tóth, Lajos Werkner)
- 11. Jenő FUCHS - fencing, sabre individual

1924, Paris

- 12. Gyula HALASY - shooting, skeet-shooting, 98
- 13. Sándor POSTA - fencing, sabre individual

1928, Amsterdam

- 14. Ferenc MEZŐ - art competition, literature epic poetry
- 15. Lajos KERESZTES - wrestling, Greco-Roman style, light weight
- 16. Fencing, sabre team (János GARAY, Gyula GLYKAIS, Sándor GOMBOS, Attila PETSCHAUER, József RÁDY, Ödön TERSZTYÁNSZKY)
- 17. Ödön TERSZTYÁNSZKY - fencing, sabre individual
- 18. Antal Kocsis - boxing, flyweight

1932, Los Angeles

- 19. István PELLE - gymnastics, pommel horse 57,20 points
- 20. István PELLE - gymnastics, floor 28.80 points
- 21. Water polo team (István BARTA, György BRÓDY, Olivér HALASY, Márton HOMONNAI, Sándor IVÁDY, Alajos KESERŰ II, Ferenc KESERŰ I, János NÉMETH, Miklós SÁRKÁNY, József VÉRTESY)
- 22. Fencing, sabre team (Aladár GEREVICH, Gyula GLYKAIS, Endre KABOS, Ernő NAGY, Attila PETSCHAUER, György PILLER)
- 23. György PILLER - fencing, sabre individual 24. István ÉNEKES - boxing, flyweight

1936, Berlin

- 25. Károly KÁRPÁTI - wrestling, freestyle, light weight
- 26. Ödön ZOMBORI - wrestling, freestyle, bantam weight
- 27. Ilona ELEK - fencing, foil individual
- 28. Ferenc CSÍK - swimming, 100 m freestyle 57.6 sec
- 29. Ibolya CSÁK - athletics, high jump 160 cm 30. Márton LŐRINCZ - wrestling, Greco-Roman style, bantam weight
- 31. Fencing, sabre team (Tibor BERCZELLY, Aladár GEREVICH [GEREI], Endre KABOS, Pál KOVÁCS, László RAJCSÁNYI, Imre RAJCZY)
- 32. Water polo team (Mihály BOZSI, Jenő BRANDI, György BRÓDY, Olivér HALASY, Kálmán

HAZAI, Márton HOMONNAI, György KUTASI, István MOLNÁR, János NÉMETH, Miklós SÁRKÁNY, Sándor TARICS)

33. Endre KABOS - fencing, sabre individual

34. Imre HARANGI - boxing, leight weight

1948, London

35. Imre NÉMETH - athletics, hammer throw 56.07 m

36. Ilona Elek - fencing, foil individual

37. Gyula BÓBIS - wrestling, freestyle, heavyweight

38. Olga GYARMATI - athletics, long jump 569,5 cm

39. Károly TAKÁCS - shooting, automatic pistol 580 c.

40. Fencing - sabre team (Tibor BERCZELLY, Aladár GEREVICH, Rudolf KÁRPÁTI, Pál KOVÁCS, Bertalan PAPP, László RAJCSÁNYI)

41. Aladár GEREVICH - fencing, sabre individual

42. Tibor CSÍK - boxing; bantamweight

43. László PAPP - boxing, middleweight

44. Ferenc PATAKI - gymnastics, floor 38.70 points

1952, Helsinki

45. Margit KORONDI - gymnastics, uneven parallel bars 19.40 points

46. Ágnes KELETI - gymnastics, floor 19.36 points

47. József CSERMÁK - athletics, hammer throw 60.34 m

48. Modern pentathlon team (Gábor BENEDEK, Aladár KOVÁCSI, István SZONDY) 166 points

49. Imre HÓDOS - wrestling, Greco-Roman style, bantam weight

50. Miklós SZILVÁSY - wrestling, Greco-Roman style, welter weight

51. Károly TAKÁCS - shooting, automatic pistol 579 c.

52. Katalin SZÓKE - swimming, freestyle 1 min 06,8 sec

53. Éva SZÉKELY - swimming, 200 m breaststroke 2 min 51.7 sec

54. Fencing, sabre team (Tibor BERCZELLY, Aladár GEREVICH, Rudolf KÁRPÁTI, Pál KOVÁCS, Bertalan PAPP, László RAJCSÁNYI)

55. Swimming, 4x100 m freestyle relay (Éva, NOVÁK, Ilona NOVÁK, Katalin SZÓKE, Judit TEMES; Mária LITTOMERITZKY)

56. Pál KOVÁCS - fencing, sabre individual

57. Valéria GYENGE - swimming, 400 m freestyle 5 min 21.1 sec .

58. Water polo team (Róbert ANTAL, Antal BOLVÁRI, Dezső FÁBIÁN, Dezső GYARMATI, István HASZNOS, László JENEY, György KÁRPÁTI, Dezső LEMHÉNYI, Kálmán MARKOVITS, Miklós MARTIN, Károly SZITTYA, István SZÍVÓS Sen., György VÍZVÁRI)

59. Football team (József BOZSIK, László BUDAI II, Jenő BUZÁNSZKY, Lajos CSORDÁS, Zoltán CZIBOR, Gyula GROSICS, Nándor HIDEKGUTI, Sándor KOCSIS, Imre KOVÁCS I, Mihály LANTOS, Gyula LÓRÁNT, Péter PALOTÁS, Ferenc PUSKÁS, József ZAKARIÁS)

60. László PAPP - boxing, light middleweight

1956, Melbourne

61. László FÁBIÁN, János URÁNYI - kayakcanoeing, K-2 10 000 m

62. László PAPP - boxing, light middleweight

63. Ágnes KELETI - gymnastics, floor 18.733 points.

64. Ágnes KELETI - gymnastics, balance 18.800 points

65. Ágnes KELETI - gymnastics, uneven parallel bar 18.966 points .

66. Fencing, sabre team (Aladár GEREVICH, Jenő HÁMORI, Rudolf KÁRPÁTI, Attila

KERESZTES, Pál KOVÁCS, Dániel MAGAY)

67. Rudolf KÁRPÁTI - fencing, sabre individual

68. Gymnastics, hand-apparatus team (Andrea BODÓ, Ágnes KELETI, Alíz KERTÉSZ, Margit KORONDI, Erzsébet KÖTELES, Olga TASS)

69. Water polo team (Antal BOLVÁRI, Ottó BOROS, Dezső GYARMATI, István HEVESI, László JENEY, Tivadar KANIZSA, György KÁRPÁTI; Kálmán MARKOVITS, Mihály MAYER, István SZIVÓS Sen., Ervin ZÁDOR)

1960, Roma

70. János PARTI - kayak-canoeing, C-1 1000 m

71. Ferenc NÉMETH - modern pentathlon individual 5024 points

72. Modern pentathlon, team (András BALCZÓ, Imre NAGY, Ferenc NÉMETH) 14 863 points

73. Gyula TÖRÖK - boxing, flyweight

74. Rudolf KÁRPÁTI - fencing, sabre individual

75. Fencing, sabre team (Gábor DELNEKY, Aladár GEREVICH, Zoltán HORVÁTH, Rudolf KÁRPÁTI, Pál KOVÁCS, Tamás MENDELÉNYI)

1964, Tokyo

76. Ferenc TÖRÖK - modern pentathlon individual 5116 points

77. Ildikó REJTŐ - fencing, foil individual

78. László HAMMER - shooting, small-bore rifle prone position 60 shot, 597 c.

79. Fencing, foil team (Judit ÁGOSTON, Lidia DÖMÖLKY, Katalin JUHÁSZ, Paula MAROSI, Ildikó REJTŐ)

80. Water polo team (Miklós AMBRUS, András BODNÁR I, Ottó BOROS, Zoltán DÖMÖTÖR, László FELKAI II, Dezső GYARMATI, Tivadar KANIZSA, György KÁRPÁTI, János KONRÁD II, Mihály MAYER, Dénes PÓCSIK, Péter RUSORÁN II)

81. Imre POLYÁK - wrestling, Greco-Roman style featherweight

82. István KOZMA - wrestling, Greco-Roman style heavyweight

83. Tibor PÉZSA - fencing; sabre individual

84. Fencing, épée team (Arpád BÁRÁNY, Tamás GÁBOR, István KAUSZ, Győző KULCSAR, Zoltán NEMERE)

85. Football team (Ferenc BENE, Tibor CSERNAI, János FARKAS, József GELEI, Kálmán IHÁSZ, Sándor KATONA, Imre KOMORA, Ferenc NÓGRÁDI, Dezső NOVÁK, Arpád ORBÁN, Károly PALOTAI, Antal SZENTMIHÁLYI, Gusztáv SZEPESI, Zoltán VARGA)

1968, Mexico City

86. Angéla NÉMETH - athletics, javelin throw 60.36 m

87. Modern pentathlon team (András BALCZÓ, István MÓNA, Ferenc TÖRÖK) 14,325 points

88. Gyula ZSIVÓTZKY - athletics, hammer throw 73.36 m

89. Győző KULCSÁR - fencing, épée individual

90. Mihály HESZ - kayak-canoeing, K-1 1000 m

91. Tibor TATAI - Kayak-canoeing, C-1 1000 m

92. Fencing, épée team, (Pál B. NAGY, Csaba FENYVESI, Győző KULCSÁR, Zoltán NEMERE, Pál SCHMITT)

93. István KOZMA - wrestling, Greco-Roman style heavyweight

94. Football team (István BÁSTI, Antal DUNAI II, Lajos DUNAI, Károly FATÉR, László FAZEKAS, István JUHÁSZ, László KEGLOVICH, Lajos KOCSIS, Iván MENCZEL, László NAGY, Ernő NOSKÓ, Dezső NOVÁK, Miklós PÁNCSICS, István SÁRKÖZI, Miklós SZALAY, Zoltán SZARKA, Lajos SZŰCS)

95. János VARGA - wrestling, Greco-Roman style; flyweight

1972, Munich

96. Imre FÖLDI - weightlifting, flyweight 377,5 kg

97. András BALCZÓ - modern pentathlon individual 5412 points

98. Csaba FENYVESI - fencing, épée individual

99. Fencing, épée team (Sándor ERDŐS, Csaba

FENYVESI, Győző KULCSÁR, István OSZTRICS, Pál SCHMITT)

100. Csaba HEGEDŰS - wrestling, GrecoRoman style 82 kg,

101. György GEDŐ - boxing, light flyweight

1976, Montreal

102. Zoltán MAGYAR - gymnastics, pommel horse 19.700 points

103. Ildikó TORDASI - fencing, foil individual

104. Miklós NÉMETH - athletics, javelin throw 94.58 m

105. Water polo team (Gábor CSAPÓ, Tibor CSERVENYÁK, Tamás FARAGÓ, György GERENDÁS, György HORKAI, György KENÉZ, Ferenc KONRÁD III, Endre MOLNÁR, László SÁROSI, Attila SUDÁR, István SZÍVÓS Jr.)

1980, Moscow

106. Károly VARGA - shooting, small-bore rifle prone position 60 shot, 599 c.

107. Norbert NÖVÉNYI [NOTTNY] - wrestling, Greco-Roman style 90 kg

108. Ferenc KOCSIS - wrestling, Greco-Roman style 74 kg

109. Zoltán MAGYAR - gymnastics, pommel horse 19,925 points

110. Sándor WLADÁR - swimming, 200 m backstroke 2 min 01.93 sec

111. Péter BACZAKÓ - light heavyweight 377.5 kg 112. László FOLTÁN, István VASKUTI - kayak-canoeing C-2 500 m

1988, Seoul

113. Tamás DARNYI - swimming, 400 m individual medley 4 min 14.75 sec

114. János MARTINEK - modern pentathlon individual 5404 points

115. Modern pentathlon team (László FÁBIÁN, János MARTINEK, Attila MIZSÉR) 15,886 points

116. András SIKE - wrestling, Greco-Roman style 57 kg

117. József SZABÓ - swimming, 200 m breaststroke 2 min 13.52 sec

118. Zsolt BORKAI - gymnastics, pommel horse, ex-aequo 19.950 points

119. Tamás DARNYI - swimming, 200 m individual medley 2 min 00.17 sec

120. Krisztina EGERSEGI - swimming, 200 m backstroke 2 min 09,29 sec

121. Fencing, sabre team (Imre BUJDOSÓ, László CSONGRÁDI, Imre GEDŐVÁRI, György NÉBALD, Bence SZABÓ)

122. Zsolt GYULAY - kayak-canoeing, K-1 500 m

123. Kayak-canoeing, K-4 1000 m (Attila ÁBRAHÁM, Ferenc CSIPES, Zsolt GYULAY, Sándor HÓDOSI)

1992, Barcelona

124. Krisztina EGERSEGI - swimming, 400 m individual medley 4 min 36.54 sec

125. Tamás DARNYI - swimming, 400 m individual medley 4 min 14.23 sec

126. Krisztina EGERSEGI - swimming 100 m backstroke 1 min 00.68 sec

127. Attila REPKA - wrestling, Greco-Roman style 68 kg

- 128. Antal KOVÁCS - judo, 95 kg
- 129. Péter FARKAS - wrestling, Greco-Roman style 82 kg
- 130. Tamás DARNYI - swimming, 200 m individual medley 2 min 00.76 sec
- 131. Krisztina EGERSZEGI - swimming 200 m backstroke 2 min 07.06 sec
- 132. Henrietta ÓNODI - gymnastics, horse vault ex-aequo 9.925 points
- 133. Bence SZABÓ - fencing, sabre individual
- 134. Kayak-canoeing, K-4 500 m (Kinga CZIGÁNY, Éva DÓNUSZ, Rita KŐBÁN, Erika MÉSZÁROS)

1996, Atlanta

- 135. Norbert RÓZSA - swimming, 200 m breaststroke 2 min 12.57 sec
- 136. Krisztina EGERSZEGI - swimming 200 m backstroke 2 min 07.83 sec
- 137. Attila CZENE - swimming, 200 m individual medley 1 min 59.91 sec
- 138. Balázs KISS - athletics, hammer throw 81.24 m
- 139. István KOVÁCS - boxing, 54 kg n
- 140. Rita KŐBÁN - kayak-canoeing, K-1 500 m
- 141. Csaba HORVÁTH, György KOLONICS kayak- canoeing, C-2 500 m

Hungarian Sport in the Mirror of the 2000 Olympic Games

Although volumes of professional articles and inspired studies had been written about the drawbacks and adverse effects of the exaggerated Olympic frenzy surrounding Hungarian sport, it is still fact that, every four years the young and the old alike hold their breath nailed to the screen as the watch the Hungarian Olympic team, catch up with the events, give everything they can to support our girls and boys, cheer for the victories, and feel lousy about the defeats.

The overall assessment of sports as a whole thus depends almost entirely on the good or poor performance of our team at the Olympic Games. No matter how good the work of the state and/or social sport management circles is, public opinion pigeonholes the whole year of Hungarian sport as 'good' or 'bad', 'outstanding' or 'atrocious' in its entirety, mainly on the basis of Olympic medals - gold in particular.

This phenomenon is not necessarily to be applauded, but it exists all the same. Therefore, a more detailed analysis of the Hungarian participation at the 17th summer Olympic Games seems to be inevitable.

At first glance, the picture is actually quite appealing: our Olympic delegation brought home 17 medals altogether; and 8 times out of this 17, a representative of Hungary was called to step on the highest grade of the podium. Regarding the non-official - but nevertheless widely used, referenced and acclaimed - ranking based on medals, the Hungarian team took 13th place among the 199 nations participating in the Games. Even if we look at the absolute number of medals – an indicator quite fashionable in the English-speaking countries – only Japan and the Ukraine prevail over us, with fewer gold medals but a more silvers and bronzes.

However, if we examine the above data broken down by individual disciplines, there seem to be far fewer reasons for enthusiasm. Seven out of the 17 medals (41.18%), four of the eight gold medals (50%) were won by the kayak-canoe section, putting them into a definite victory position on the medal table for their sport, and improving the really rather mediocre overall Hungarian qualification from grade C to B.

Sure, there are at least two ways to interpret this argument. The negative attitude: the smashing victory of the canoeists stretches some sort of protective screen to shield the other sportsmen and with women performing not too well or even poorly. The positive attitude: in fact, it demonstrates the strength of Hungarian sport that at every successful Olympics, there is a 'dynamo' branch in which the competitors really get a grip on competition, give their best, and actually perform better than expected. The roles are always switched, but there always is such a prominent sport or game.

To quote a few historic examples: swimming in 1952, gymnastics in 1956, fencing in 1964, swimming again in 1992, etc. (Now, one can pick the explanation that better suits their personal taste...)

With regard to the first argument, the following data seems to be relevant: 17 medals were won by our champions in 11 disciplines (wrestling, kayak-canoe, handball, boxing, pentathlon, rifle-shooting, weightlifting, gymnastics, swimming, fencing, and water polo), while in the other 12 or 13 (depending whether or not windsurfing and sailing are counted separately) branches, we had no medals at all. If we add that there were sports, which brought us no medals but still afforded qualification points for the 4th to 6th places (table tennis, cycling, taek-won-do), we observe that there are 9 (10) disciplines - more than 1/3 of the total - left that eventually failed to add a single Olympic point to the results of the Hungarian team. If, in addition, we remark that due to the specifics of the pre-qualification system our team did not even make it to the Games in the popular team sports practiced world-wide (basketball, volleyball, men's handball, soccer, field hockey - less cultivated but with long-standing traditions -, baseball and perhaps the odd-one-out, softball), the picture we painted on the basis of individual disciplines is not only somber, but rather bleak indeed. On the other hand, positive thinkers may argue - with reference to pervasive, ever stronger competition dictating more and more demanding pre-qualification criteria - that at least a small number of our team sports really pulled off a big game! Both of our football teams made it to the final and were there to go for the gold!

True, both of them kicked off as favorites, but the road to fulfil the promise was fraught with danger.

The women's handball team had their ups and downs in their group - no sweat against Angola, a hard-won victory against France, a rocket start turning into a withering defeat against South Korea, and a touch-and-go match ending in a draw against Romania - and presumably all the girls saw themselves flying home in the quarterfinal against Austria ... then they somehow got back into the game, scored four quick goals and equalized in crunch time, then took the upper hand in overtime. Later in the semifinal they slammed title-holder Norway into the floor, and the Hungarian miracle continued in the final - up to about the 15th minute of the second half. Then the inspiration abruptly failed, a blackout came - turning the 6-goal lead against Denmark into a four-goal defeat. The professional analysis of the final is a topic in itself - perhaps the early setting-in of a cheering mood, a sign of inadequate sportsmanship - but all in all the result was fantastic: 24 years after the Montreal bronze, Hungarian women's handball was upgraded at the Games, producing the best Olympic performance ever.

Another top team sport, water polo, achieved exactly the same medal as their predecessors did almost a quarter of a century ago in Montreal: gold. The much-coveted gold medal that remained out of our reach at the Olympic Games ever since, the one taken (twice) by the team coached by Dénes Kemény at the European Championship and the World Cup. This time, the team made it to the top by having its share of momentary setbacks, for example, it was beaten by both successor states of the former Yugoslavia (Yugoslavia and Croatia), but when the going really got tough during the direct elimination stage, they did not falter in their resolve. They first easily defeated Italy without the helping instructions of their coach - Mr. Kemény was exiled from the pool to the bleachers more by international intrigue than his own unchecked temper - then in the semifinals they returned the courtesy to the Yugoslavians in a heated waterfront battle. And that was only the beginning, for then came a phenomenal performance against the Russians in the Olympic final. They won the most impressive victory of all team finals in the Games, beating even the show of the miraculous American women's basketball 'Dream Team'; in boxing terminology, they simply outclassed their opponents, not for a moment letting the onlookers be in doubt as to the identity of the would-be winner.

The triumph of Szilveszter Csollány in the rings final of the gymnastics competition was equally impressive. The blond Hungarian who had already raked in tons of silver medals in the past now left his peers lagging far behind. In this "notoriously biased" discipline he relegated the members of the jury to the role of mere spectators; those jury members who had made him and all Hungarian

sport fans swallow the bitter pill so many times before. This time, however, even neutral eyes had to admit his superiority.

It was thought before the Games that Ágnes Kovács was equally, if not more, likely to bring the gold medal in the women's 200 meters breaststroke home as Csollány. The 18-year-old swimmer from Budapest finally made it happen in a spine-tingling run-in, thus continuing a succession of victories started and run by Krisztina Egerszegi between 1988 and 1996. Since Seoul, all the Olympic Games saw a Hungarian swimmer lady winning gold.

The first Hungarian Olympic gold to be celebrated at the Sydney Games was won under quite different circumstances, but was nevertheless just as brilliant and dear. Fencer Tímea Nagy successfully combined technical finesse, competitive spirit and superhuman powers of concentration to beat all of her challengers in the fencing competition. Her tightest bout was the one against the Olympic title-holder, many times world champion Laura Flessel. Nagy defeated the French champion with exceptionally intelligent fencing, by keeping a level head all through. (Who could have guessed at the moment of her victory, with only the first round over, that hers would be the only Hungarian fencing medal of the Games?)

Coming back to our champions, let us return to canoeing. It obviously will remain a subject of endless debate what would have happened if the jury - apparently hearing a word whispered by the NOB above - had not tried to "take the competitors' side" so strongly, and had voted to postpone the heats further or eventually cancel the events. Accepting, though, the position that many of those present had prepared mostly or exclusively for this race, the jury gave the contest the go-ahead after six hours deliberation, and the decision proved to be an excellent one for Hungary. It is true that although in the vast majority of the 500 m finals subject to gusts of wind and crushing waves those in the lanes on the protected far side of the beach came in victorious and won the medals, but this does not blemish the triumph of canoeist György Kolonics and the Imre Pulai-Ferenc Novák duo, or the kayak team Zoltán Kammerer and Botond Storcz. At that particular moment and under the specific circumstances they proved the best, bringing great joy to millions of Hungarians in the country and elsewhere in the world.

Besides our other medallists (wrestling - Sándor Bárdosi; boxing - Zsolt Erdei, pentathlon - Gábor Balogh; rifle-shooting - Diána Igaly; weightlifting - Erzsébet Márkus) one should not ignore two events that had not gained us any medals but in absolute sporting terms were just as valuable. Table tennis players Csilla Bátorfi and Krisztina Tóth put up a tremendous fight against their far-better-ranked Asian opponents both in the semifinals and the bronze match, and in both cases only nuances decided the outcome of the game - not in our favor. Adding to that, the international traditions of the discipline have it that the losers in both semifinals are considered to be bronze medallists - unfortunately, the Olympic rules say it otherwise. The other extra bonus-point, a 5th place by cyclist Szilvia Szabolcsi was at the same time setting the best classification ever held in the discipline.

Having spoken about champions, medallists, and surprise qualifications, a word of caution is in order here about those who never really got into the Games and disappointed the public. The most severe criticism goes perhaps to the athletes. The participants who made up the largest delegation of all time (38 individuals) failed to obtain results worth a single Olympic point. And, although it is beyond debate that the competition here was the hottest, this poor participation cannot be justified by even the most elusive arguments. Especially, when we mention that among the 38 athletes, no one managed to come close to their personal best...

Our judokas (6 participants - 0 points), and our divers, perhaps holding greater promise, performed equally poorly.

And, of course, sports fans expected more from our pentathlonists. In both men's and women's numbers, we delegated the world champion title holders to the Sydney Games, but although Gábor Balogh's silver medal is a fair achievement, Zsuzsanna Vörös only came in to take 15th place.

All things considered, one may again borrow some technical terms from boxing to conclude that (the competitive branch of) Hungarian sport was judged at the Sydney Olympic Games, and

although was not found entirely wanting (light or featherweight), the heavyweight class was also not deserved, and one should settle for something akin to welter or middleweight ...

Sports, Youth, and Drugs

The Ministry of Youth and Sports is the most recently established ministry in Hungary, which has been operating since 1 January 1999. The civic coalition, which came to power in the summer of 1998, was the first to raise the issue of sports, as well as youth policy and drug prevention strategy for both the healthy and the disabled to a high administrative level. The ministry is headed by the Minister of Youth and Sports, Dr. Tamás Deutsch.

Several important issues encouraged the establishment of this Ministry. First of all, there were increasing signs of crisis in the field of Hungarian sports. Economic difficulties affected the area, which had an adverse impact on the health of the Hungarian population. Moreover, the number of young Hungarians fit enough to do their military service has recently dropped, and people spend more and more money on medicines and hospital treatment. In order to reverse these trends, the civic coalition developed a program based on prevention and the education of people from a young age onwards.

Sporting offers an alternative to harmful habits and drug addiction. In its fight against drugs, the civic coalition adopted all of its measures according to the severity of the problem. Hungary has become the target of drug smuggling in the past few years, and the number of youth unable to live normal lives because of their drug-addiction has been on the rise. Faced with these problems, the government could no longer remain idle. A deputy state secretariat was set up to co-ordinate the country's anti-drug forces and harmonize the anti-drug resources of the different levels of public administration. The Ministry is elaborating a National Anti-Drug Strategy, which attaches great importance to prevention. Moreover, one of the first measures taken by the government tightened legal sanctions on drug abuse.

Youth policy failed to receive any major attention over the decade following the change of the Hungarian political system. Children, juveniles and young adults paid the highest price so far for advances in human rights. The civic coalition government intends to change this attitude towards youth, and considers offering young people the opportunity to exercise their basic rights of key importance.

A new initiative was also taken by the civic coalition to help the disabled integrate into society. Sport is more than a simple pastime for the disabled. Often it is the only means for them to lead an active life and find their place in society. The present government created a deputy state secretariat to support the sports activities of the disabled for the first time in the history of the Hungarian democracy. We consider the fact that some of the specialists dealing with this issue are disabled especially important.

A major move has recently been made in all of the Ministry's fields of activity. The Ministry of Youth and Sports initiated a comprehensive reform in Hungarian sports, whose positive results have already been noted as Hungarian athletes manage to achieve increasingly better results. According to this reform plan, the Ministry also intends to involve the business sphere in the sponsorship of sport activities, since professional sports will need to find resources on the market and will have to be based on business. The Ministry of Youth and Sports has spent significant funding on the financing of sports for the young and the disabled, as well as on leisure-time sport. This year, a sum of approximately HUF one billion will be available in the field of drug prevention and the sponsorship of youth and sport organizations beyond the borders of Hungary, in accordance with the goals of the government.

ⁱKTI is the Hungarian Research Institute of Transport Science.

ⁱⁱBOT (Build, Operate, Transfer – (i.e., to public institutions; the propriety right is that of the State)